

John Dixon  
Head of Gas Network Code Development  
Ofgem  
9 Millbank  
SW1P 3GE

7<sup>th</sup> October 2003

Dear Mr Dixon,

**RE: CONSUMER REPRESENTATION AND THE SPAA AGREEMENT**

The purpose of this letter is to clarify our position on consumer representation within the SPAA agreement. Firstly it is important to say that energywatch will take a great deal of interest in the new governance arrangements given the relevance of the issues discussed in the code for gas customers. We are keen to see certain aspects of the transfer process reformed and see SPAA as a vehicle for positive change.

energywatch would prefer to have full voting and modification rights in the codes as we do in the BSC panel. However, if this does not happen, we would be content with the ability to raise modifications to the code. Any proposed modification to the agreement should be judged on its merits (i.e. in terms of its ability to enhance the relevant code objectives) rather than its source. We would also expect to sit on the Executive Council as a non voting participant in a similar role to the existing Network Code arrangement. I hope this clarifies our position.

As a footnote, I would also point out that in order for SPAA to be a truly successful code it is important that industrial and commercial suppliers are not only included in the agreement but active participants in it. Given the huge increase in I&C complaints to energywatch we will be lobbying the I&C suppliers section of the Gas Forum for their full participation in SPAA. I will send you some recent complaint statistics that indicate the upward trend of dissatisfied customers in this sector to illustrate our concerns in the next few days by way of illustration.

In conclusion, we hope that SPAA can address some of the root causes of complaints that are both an inconvenience to suppliers and consumers alike.

Yours sincerely

A handwritten signature in black ink that reads "Lesley Davies". The signature is written in a cursive style with a large, stylized 'L' and 'D'.

Lesley Davies  
Director, Policy & Research  
energywatch