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## **Review of Industry Code Governance**

Dear Mark

Central Networks supports the ENA response to your letter of 28<sup>th</sup> November, and would take this opportunity to emphasize the following points in connection with the scope of the review: -

**Modification Process:** The increasing number of proposed modifications is both resource intensive and costly to the parties to the codes and to Ofgem. It is our view that Codes should include an ability to reject low merit proposals without committing further expenditure.

**Code Objectives:** In order to ensure that modifications are fully considered prior to Ofgem's deliberation, code objectives should be aligned with Ofgem's statutory duties, including an early indication as to whether a proposal is likely to be vetoed.

**Transparency:** Code changes should only be proposed by parties to those codes. Where another party, including Ofgem believes that there is a fundamental flaw in the code, the appropriate procedure should be followed to ensure that proper consideration is given to the proposal by all relevant parties, and that due process is followed.

**Costs:** The proposal to integrate requirements for Impact Assessments within the industry code and charging methodologies will add further costs, it is important that these costs are spread proportionately across the industry.

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Charging Methodologies: These are subject to constant review by the network operators under their licence conditions, and are regularly discussed at dedicated industry groups. If these were to be opened up it is likely that large numbers of proposals driven by vested interests would be made leading to instability and a significant increase in Ofgem's workload.

Yours Sincerely

Julie L'abraham  
Policy and Compliance Manager