

Supply Point Administration Agreement  
Executive  
Central House, 15 Abchurch Lane  
London EC4N 3DF  
Tel: 020 7490 1500  
Fax: 020 7490 1501  
Email: [spaa@spaa.co.uk](mailto:spaa@spaa.co.uk)

Mark Feather  
Director Industry Codes and Licensing  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Dear Mark,

### **Review of Industry Code Governance – SPAA Executive Response**

The SPAA Executive are supportive of this Review taking place and agree with the proposed scope. We welcome the opportunity to contribute to the development of Industry Code Governance and support the commitment to increased transparency of the decision making process.

The Supply Point Administration Agreement has been in place since 2003 and is widely regarded as a successful and well managed industry agreement. The low costs to suppliers of administering the agreement without jeopardising quality demonstrate the effectiveness of self-governance. However, there are two features of the SPAA which would benefit from consideration as part of the wider Governance Review

### **Participation of I&C Only Suppliers**

The lack of a licence requirement on I&C only suppliers to be a party to the SPAA has resulted in these suppliers failing to engage with the SPAA. The SPAA Executive has made numerous attempts to encourage involvement from I&C only suppliers without success. This led to the SPAA Executive refocusing the forward workplan of the agreement onto purely domestic matters.

SPAA has proved the effectiveness of self-governance in the domestic market, however, this would be expanded to the full market if pure I&C Suppliers were also parties to SPAA. This would further SPAA in meeting its objectives and would be more reflective of other similar industry agreements such as the MRA. We would welcome Ofgem's support in encouraging I&C Participation potentially by introducing a licence change obligating I&C suppliers to become parties to SPAA.

SPAA Ltd

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### **Authority Consent process for SPAA Change Proposals**

Currently the Authority is responsible for approving the majority of SPAA Change proposals which has the effect of creating additional unnecessary workload for the Authority and delaying the implementation of changes deemed necessary by the industry. Where changes are low risk or materiality the industry should be able progress them without recourse to the Authority. The Constitution Group recently proposed a revised approach to Authority consent which would lead to a lighter workload for the Authority and enhanced efficiencies for SPAA Parties. We welcome the Authority's views on this approach as they are provided during the Review process.

Should you require any further information please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'John Lees', written over a horizontal line.

 John Lees  
Chairman, SPAA Executive Committee