

Mark Cox Ofgem

20 September 2010

Dear Mark

Open letter consultation: Potential Significant Code Reviews (SCRs)

Central Networks supports Ofgem's proposal that the introduction of smart metering and its impact of on industry codes should be the subject of a Significant Code Review.

Smart metering promises much for industry parties and other stakeholders. It will be important to put in place systems and processes which allow the maximum benefit to be obtained from what will be an enormously costly investment.

In our view the introduction of smart metering clearly meets the criteria for a decision to initiate a SCR. In particular, the role of smart metering in facilitating smarter networks is likely to have impacts on gas and electricity customers, the environment, sustainable development and security of supply. We would expect an SCR process to facilitate a coordinated and efficient approach to the code changes necessary to deliver the various benefits of smart metering.

We offer no view on whether Electricity Cash Out and Gas Security of Supply should also be the subjects of SCRs.

Yours sincerely,

Andrew Neves

Tariff and Income Manager