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**Open letter consultation: Potential Significant Code Reviews (SCRs)**

Dear Abid,

Thank you for the opportunity to comment on the issues to be addressed at the earliest opportunity through a Significant Code Review process. Whilst we support inclusion of the three areas that Ofgem has identified as priorities (electricity cash-out, gas security of supply and smart metering), we see equal merit in the addition of transmission charging arrangements.

Given that potential inclusion of this topic within the SCR process was first mooted in Ofgem's decision letter on NTS GCM 19 (30<sup>th</sup> July 2010), it is disappointing that Ofgem's thinking remains at too "preliminary" a stage to formally consult on the matter as part of this open letter consultation.

That said, we note that "Ofgem is mindful that a number of industry parties consider that the current charging arrangements are flawed... Notwithstanding the veto of GCM19, we are keen to ensure that further discussions around the issues raised by the proposals take place". The upcoming change in the governance of network charging methodologies (31<sup>st</sup> December 2010) provides further impetus to tackle the perceived problems in the most holistic and timely manner possible: an SCR appears to be an obvious and logical fit.

We hope that Ofgem will take the available opportunity to now lead swift industry reform on transmission charging arrangements.

Yours faithfully,

*(by email)*

Iain McCombie  
Commercial Operations Manager

