

24<sup>th</sup> May 2012

By email only to:

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Dear Declan

### **Industry Codes Governance Review – second phase**

Thank you for your open letter dated 26<sup>th</sup> April and for the opportunity to comment on the changes implemented by the Code Governance Review and the intention to extend the CGR outcomes into other industry codes.

As an independent Gas Transporter, GTC has not to date been greatly impacted by the changes to the Balancing and Settlement Code (BSC), Connection and Use of System Code (CUSC) and Uniform Network Code (UNC). However, we have been aware of the voluntary changes applied under the independent Gas Transporters' Uniform Network Code (iGT UNC) and Supply Point Administration Agreement (SPAA). These voluntary changes, as we have seen, include the Code Administrators adopting a critical friend type role and other aspects set out within the Code Administration Code of Practice (CACoP).

Whilst we support, in principal, the intentions of the CACoP and recognise that there are some benefits to the implementations resulting from the first phase, GTC's view is that there are no real immediate benefits to rolling this out to other codes, but particularly to the iGT UNC. We are unclear as to what extent any prospective Significant Code Review would impact the iGT UNC. If we apply the principal applied to the modification proposal procedure itself, which requires the full justification for change, it could be concluded that industry code governance should remain as it is for the present time. This together with an iGT UNC modification proposal (currently under a development group) to align timescales with those under the UNC, and which proposes to make improvements to the process, and with the deferral by Ofgem due to lack of resource, of the review of iGT charging and governance, which we believe would be more beneficial, we feel that the potential benefits do not warrant the changes at this time.

Please do not hesitate to contact me for further clarification on any of the above.

Yours sincerely



Jenny Rawlinson  
Industry Compliance Manager  
**GTC**