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23 November 2012

Dear Lisa

Code Governance Review Phase 2

Thank you for the opportunity to respond to the above consultation. We can provide the following response to the specific questions raised in the letter. We have not answered any of the questions which are not relevant to Electricity North West.

Questions

CHAPTER: Two

Question 1: *Do you consider that a "fast track" self governance process should be available in the industry codes for minor housekeeping changes?*

Yes. This is a sensible and pragmatic approach, that better utilises time and reduces the impact on both the industry and Ofgem.

Question 3 *Do you agree that self governance should be introduced into the iGT UNC and STC, and increased in the DCUSA?*

Whilst we acknowledge that some change proposals to clauses that are deemed to be Part 1 matters may not be material, we have reservations over this area without seeing any suggested changes to the role of the DCUSA Panel. It would be helpful if your assessment as to what may or may not have needed the Authority approval is made available to us so that we can understand what type of criteria/assessment may be being considered.

Question 4: *Do you consider it appropriate to apply the same governance principles to the Grid and Distribution Codes as are applied to the commercial codes?*

This seems sensible but we must ensure that we are not imposing a burden just for the sake for it.

Question 5: *Do you consider that both the Distribution Code and the Grid Code should be modified to allow for an open governance framework? In particular, allowing code users to raise code modifications; enabling code panels to have a more formal role in evaluating and recommending code changes; and the governance procedures brought into the codes? Are there any other areas of governance that you consider could be improved in Distribution Code and Grid Code?*

It is our understanding that this is already catered for but the language may not be clear.

Question 6: *Should MRA modifications be subject to a materiality test, to determine whether Authority approval of changes is required?*

Yes, it is a sensible approach to minimise impact on all parties involved.

Question 9: *Do you have any comments on Ofgem's guidance for discharging self governance appeals (Appendix 7), and on the proposed adjustment to the BSC, CUSC and UNC appeal windows?*

It is difficult to comment on this since appendix 7 was unfortunately omitted from the consultation document. However based on the information in the consultation document, a ten working day window may be too small when considering the holiday season. Fifteen working days is more appropriate.

Question 10: *Do you consider that the ability to appeal a self governance determination should be consistent across all codes?*

Yes, and the appeal should be based on the decision made and not on one of process or prejudice as currently is the case now.

CHAPTER: Three

Question 1: Do you agree with the proposal to extend the Significant Code Review process to DCUSA, iGT UNC, MRA, SPAA, STC, Grid Code and Distribution Code?

Yes

CHAPTER: Four

Question 1: *Do you agree that all industry code panels (or their equivalent) should provide substantive reasons for their recommendations/decisions?*

Yes. This is essential otherwise they should be returned to the Panel for further justification. We welcome the conclusion reached in para 4.14 and also consider a need to have the same code modification process in order to have a consistent approach across codes.

Question 2: *Do you agree that the MRA should contain objectives against which code modifications are assessed?*

Yes, any change should be assessed against a set of criteria or objectives.

Question 3: Do you agree that the Authority should be able to „send back‟ final modification reports in all codes, where a deficiency/flaw in the report is identified?

Yes.

Question 4: *Do you agree with the proposal to require all codes to have regard to and, to the extent relevant, be consistent with the CACoP principles? Code Governance Review (Phase 2) Proposals 42*

Yes

Question 5 *Do you consider that a requirement on code administrators to fulfil a "critical friend " role should be set out in the relevant licence?*

Yes

Question 6: *Do you agree with the amendments to the CACoP (Appendix 2) and do you consider that the standard process and templates described by the CACoP should have the status of guidance (rather than being mandatory) at this stage?*

These should be guidance only at this stage.

CHAPTER: Five

Question 1: *Do you agree with the timetable proposed?*

Yes, apart from the distribution code. Consideration needs to be given to the process of assimilating EU Network Codes into the GB arrangements is likely to have started in earnest by Summer 2013.

If you have any questions on this response, please contact any member of my team.

Yours sincerely,

Tony McEntee

Tony McEntee

Head of Customer Contract and Supplier Liaison