



Marion Quinn
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28 April 2016

By email to : industrycodes@ofgem.gov.uk

Dear Marion,

Re: Code Governance Review (Phase 3) Final Proposals – consultation on licence modifications

Thank you for the opportunity to respond to the Code Governance Review (Phase 3) Final Proposals – consultation on licence modifications, published on 31 March 2016.

We have seen the draft response being prepared by Energy UK and are in broad agreement with the points made in that response.

In relation to the proposal that Ofgem should have the power to run an end-to-end Significant Code Review (**SCR**) process, we are concerned that this risks reducing the number of checks and balances needed to ensure that unintended consequences resulting from the change can be avoided. This could be mitigated in part by ensuring that issues can be raised by industry participants (and considered by Ofgem) earlier in the SCR process to avoid the chance of them to be raised at the last possible moment and causing delay. In our view, such an approach should allow SCRs to progress more quickly, with more certainty and with less risk of unintended consequences.

We note that the Competition and Markets Authority (**CMA**) published its Provisional Decision on Remedies on 17 March 2016; that they have found similar issues to those found by Ofgem; and they are likely to determine that similar remedies are required when they publish their final report in June 2016. We therefore urge Ofgem to align the outputs of this workstream to the implementation of any such remedies so that the CMA's final report can also be considered and included as part of these Code Governance Review changes.



Should you have any questions regarding this information please do not hesitate to contact me directly.

Yours sincerely

[not signed]

Jeremy Guard
Senior Industry Codes Manager