

12 January 2009

Mark Feather  
Director, Industry Codes and Licensing  
Ofgem  
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Dear Mark

### **The “timing out” of Authority decisions on modification proposals**

Consumer Focus welcomes the opportunity to comment on the two options outlined by Ofgem to avoid the possible timing out of Authority decisions on modification proposals. We note that these proposals will only apply to the Balancing and Settlement Code, Connection and Use of System Code and Uniform Network Code.

The key concern for Consumer Focus is to ensure that consumers’ interests are protected. Timely and effective decision making is important. Any delays may mean benefits do not reach consumers. Delays also result in the misuse and waste of resources. I note that Ofgem have acknowledged this and propose two options as a means to address these issues.

Consumer Focus supports Option B as outlined in your letter. As the onus for implementing modification proposals rests with industry members of the panel it is appropriate that revised timetables and decide by dates are determined by the panel.

We would like to take this opportunity to respond to some of Ofgem’s other comments. Consumer Focus agrees that it is important that Ofgem forewarns the panel of any risks or concerns. This is a sensible and necessary way of highlighting any concerns to stakeholders early. This approach would allow for further analysis to be undertaken if required, facilitating prompt decision making and avoiding timing out. It also means Ofgem has the relevant information it requires to make prompt decisions. We have noticed that Ofgem are already proactively taking this approach in recent BCS panel meetings.

Generally, Consumer Focus supports the need for decide by dates. This is a strong key performance indicator (KPI) for the regulator. It is noted that that Ofgem regularly meet this target. In light of this performance we suggest that this KPI could be strengthened. Decide by dates or deadlines of this nature provide certainty for stakeholders, which is an important consideration. We recommend that decide by dates are retained. If Option B is adopted then a degree of flexibility is provided for, if there is a need to adjust dates. We would expect, however that this new approach be used very rarely.

Finally, in your letter you also state that time limits should not be placed on Ofgem's decision making process in cases where the subject matter of a proposal is not fundamentally linked to a date related event. It is the view of Consumer Focus that this approach could also have the potential for resource and time wasting and therefore result in a detrimental impact for consumers. In addition timely decision making is part of the government's better regulation agenda. This view provides additional support for the argument to retain decide by dates.

I hope these comments are helpful and would be pleased to follow them up with you either in person or via telephone (020 7799 7936).

Yours sincerely



Robert Hammond  
**Head of Regulated Industries**