



Thursday 28<sup>th</sup> October

Julian Majdanski  
Network Code Manager  
Transco  
31 Homer Road  
Solihull  
B91 3LT

**E.ON UK plc**  
Westwood Way  
Westwood Business Park  
Coventry  
CV4 8LG  
eon-uk.com

## **Response to Modification proposal 714 Use of Principles of Governance in Applying Section Y to the Network Code**

Dear Julian

E.ON UK is in strong support of this proposed modification to Transco's Network Code.

### **General comments on modification proposals 712 - 715**

It is encouraging to see that Transco supports the intent of all of the above modification proposals. However, we are concerned that Transco are not acting in good faith in the principles of good governance in presenting so many obstacles to changes, which in comparison to the benefits of the proposals to the whole of the industry, have little to no weight.

Modification proposals 712 – 715 facilitate relevant objective 9.1 (b) the efficient discharge of its [Transco's] obligations under [its] license; one such obligation being Standard condition 4D (1) to ensure that no party obtains any unfair commercial advantage...from a preferential or discriminatory arrangement.

Furthermore, the proposals ensure greater openness and accountability within the process, which will ultimately lead to development of proposals that better facilitate the relevant code objective (c) the securing of effective competition between relevant shippers and relevant suppliers.

### **Detailed response to 714**

Please find our response to issues raised by Transco:

We do not consider it to be necessary to make the Principles of Governance an Ancillary Agreement but rather to be a document referenced to in the Network code. In the interests of transparency, it might

E.ON UK plc  
Registered in  
England and Wales  
No 2366970  
Registered Office:  
Westwood Way  
Westwood Business Park  
Coventry CV4 8LG

be appropriate that the document would be published in an appropriate place on Transco's website.

We do not agree that this proposal would make the governance process overly complex, conversely it would make the governance process more clear-cut as Users would have a better understanding of the governance process, where the Principles of Governance are published in an open and transparent manner.

Along with the other governance modification proposals, this proposal has surfaced as a result of detailed discussions within the Gas Forum, with the majority of Panel Members present. We do not, therefore, expect there to be any delay in the Panel agreeing the Principles of Governance at an ensuing Modification Panel meeting. Consequently, there should be no delay in implementation of this proposal.

Please feel free to contact me if you wish to discuss any of these issues further.

Yours sincerely

Christiane Sykes  
Trading Arrangements  
Energy Wholesale  
02476 424 737