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19 August 2022

**National Grid ESO response to Ofgem consultation in respect of the modification to our Licence in relation to Business Separation**

Dear Sir/Madam

We welcome the opportunity to respond to your consultation on the provisions for business separation in relation to the acquisition of Western Power Distribution.

National Grid ESO is the electricity system operator for Great Britain. We move electricity around the country second by second to ensure that the right amount of electricity is where it's needed, when it's needed – always keeping supply and demand in perfect balance. As Great Britain transitions towards a low-carbon future, our mission is to enable the sustainable transformation of the energy system and ensure the delivery of reliable, affordable energy for all consumers.

The ESO holds a unique position at the heart of the nation's energy system. We use our unique perspective and independent position to facilitate market-based solutions which deliver value for consumers.

National Grid ESO supports the regulator's efforts to ensure that there is full transparency and clear boundaries relating to business separation.

In reviewing the additions to Special Condition 1.1, Part B (Definitions - Regulated Businesses), as well as to Special Condition 2.7 (Prohibition on engaging in preferential or discriminatory behaviour) we have no major concerns or objections. However, we make the following drafting comments for Ofgem's consideration:

- In SpC 2.7.1, we request that the drafting is made consistent with the drafting style elsewhere in the special conditions, changing it to "... *discriminating between:*  
(a) *Transmission Licensees; and/or*  
(b) *Electricity Distribution Licensees.*"
- In SpC 2.7.2A, we request that the drafting is made consistent with SpC 2.2.7 – in other words changing "*Licensee(s)*" to "*Licensees*" wherever it appears. Under standard rules of interpretation the reference to the plural would be taken to include the singular where appropriate. Our understanding is that the intent of SpC 2.7.2 and SpC 2.7.2A is the same and this supports using consistent wording to avoid any confusion.

We welcome the opportunity to discuss any of the points raised within this response. Should you require further information or clarity on any of the points outlined in this paper then please contact Amanda Rooney in the first instance at [Amanda.rooney@nationalgrideso.com](mailto:Amanda.rooney@nationalgrideso.com).

Yours sincerely

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