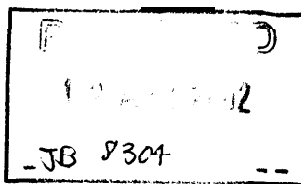


SP Transmission & Distribution

John Benson
Ofgem
9 Millbank
London
SW1P 3GE



Your ref

Our ref

IIP/CW
Date

10 April 2002
Contact/Extension

Carl Woodman
01698 413336

Dear John

Development of MI and other standards for electricity distribution - March 2002

I am writing in response to the above document on behalf of SP Distribution Ltd and SP Manweb plc.

In regard to the draft determination on the new Overall Distribution Standards of Performance, we agree the proposed determination accurately reflects the conclusion of the consultation on the Overall Standard for multiple interruptions and we support Ofgem's proposal to implement the new multiple interruption standard from 1st April 2002. We must however take this opportunity to restate our concerns related to the setting of a number of the existing Overall Distribution Standards at 100% performance levels. We believe such onerous standards are inappropriate given the relatively small incidence of events and the significance that can therefore be attached to a single failure to meet the standard. Such concerns are only reinforced by the financial penalties which attach to the Overall Standards as a result of the Utilities Act.

We would also take this opportunity to express our support for the Statutory Instrument "The Electricity (Standards of Performance)(Amendment No. 2) Regulations 2002" as the conclusion of the consultation process on the Guaranteed Standard for multiple interruptions. In particular we would like to record our support for Ofgem's confirmation that only short restorations of supply of less than 3 minutes duration should be excluded. This step aligns the data requirements of the Guaranteed Standard more closely with that recorded for the IIP Regulatory Instructions and Guidance and will simplify overall data recording and processing requirements.

Yours sincerely

Carl Woodman

Members of the ScottishPower group

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