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Our ref
RGW/NT

Your ref

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Dear Peter

Governance of electrical standards consultation

Thank you for the opportunity to comment on the above consultation document published in April. This response is from both Western Power Distribution (South West) plc and Western Power Distribution (South Wales) plc.

One of the key questions is whether any revised governance should be restricted to those standards directly referred to in the Distribution Code or whether it should apply to a wider range. We believe that it should be restricted to those referred to in the Distribution Code as these are the main interface standards with connectees to the network. The vast majority of EA technical documentation relates to the specification, operation and maintenance of equipment that is owned by distributors and is not at the interface with connected parties. As the distributor carries legal responsibility for these issues, the stewardship of such documents must remain with it.

The ultimate legal liability and safety responsibility for the network will remain with the distributor. Hence, the standards need to continue as recommendations which can be altered by the distributor to ensure legal and safety compliance as well as economic development of the network should the specific circumstances in which they are being applied require such a change. Clearly such changes should continue to be determinable by Ofgem should the distributor and connectee fail to agree that such changes are reasonable in the circumstances.

Under the existing Licence Condition requiring each Licencee to have a Distribution Code, the only parties able to seek changes are the licenced Distributor or the Authority. The DCRP is not a requirement of the existing licence condition (nor is there a requirement for all distributors to have the same distribution code) but is a good means to fulfil our obligation to consult with authorised electricity operators on



reviews of the distribution code as required by the **licence**. Many of the options for change being consulted on may require changes to this Licence condition.

A key concern to changes which increase the administrative burden is who should the costs fall to? As Distributors are not obvious beneficiaries to the changes proposed, it is unreasonable to expect them to fund more costly arrangements. We believe that as these changes are for the general benefit of **connectees**, any increased costs should be borne by **Ofgem** and recovered via Licence fees.

I attach our responses to the questions raised in the consultation paper.

Please do hesitate to contact me if would like clarification or expansion on our response.

Yours sincerely

S.J.Scott

DP R G Westlake
Regulatory & Government Affairs Manager

Question 1: Is it appropriate to restrict the scope of this review to the governance of Distribution Code technical standards or should it include governance of Grid Code technical standards?

The scope should be limited to those documents explicitly referred to in the codes and we believe that both codes should be treated in the same way.

Question 2, would it be helpful to establish Technical Standard Groups under the Grid and Distribution Code Review Panels?

If the scope is restricted to those standards specifically referred to in the Distribution Code then we believe that the DCRP itself could undertake this role.

Question 3, how should the enhanced Grid and Distribution Code Review Panels be funded?

As the benefits of any enhanced role are for all parties it would be appropriate for Ofgem to fund and recover via Licence fees.

Question 4, is it appropriate to modify the role of the Distribution and Grid Code Review Panels to cover commercial, regulatory and administrative matters?

As indicated in the consultation, this would require a substantial change to the composition, organisation and purpose of the panel. We believe that such an expansion is inappropriate as the Licence condition defines a Distribution Code as 'covering all material technical aspects' and does not refer to commercial, regulatory or administrative matters.

Question 5, how should these panels be funded?

As the benefits of any enhanced role are for all parties it would be appropriate for Ofgem to fund and recover via Licence fees.

Question 6. Is it appropriate that drafting of electrical standards be performed by a new body with a remit to act for the benefit of the principal stakeholders?

We believe that any new body should only consider those documents explicitly referred to in the Distribution Code. Provided that existing bodies have appropriate terms of reference, the creation of a new body is only likely to increase costs for no additional benefits. The proposals made under option 3 and 4 look very expensive compared to the current process.

Question 7. How should such a body be funded?

As the benefits of any new body are for all parties it would be appropriate for Ofgem to fund and recover via Licence fees.

Question 8. Should Elexon oversee governance of the Distribution and Grid Codes and referenced electrical standards?

See response to question 6. We are not aware of Elexon having any expertise in technical standards development or the interfaces with other national and international standards development.

Question 9. Should the governance of electrical standards by an alternative UK or international standards organisation be pursued?

Provided that existing bodies have appropriate terms of reference, the transfer of governance to a new body is only likely to increase costs for no additional benefits. The European Standards process is slow due to the wide range of international views being considered and requirement to integrate with differing national health and safety legislation. Given that the objectives of a change to the governance process include responsiveness to change and efficiency of administration it is unlikely that this option would fulfill the objectives.

Question 10. Should the DTI set up a new standards body?

There would be a clear conflict of interest for the DTI to identify deficiencies in the standards it created as part of its enforcement of legislation.

Question 11. How should a DTI standards body be structured and funded?

We do not believe that such a body is appropriate.

Question 12. Should all draft documents be published on a publicly accessible Internet site, and should the site have a facility for readers to provide comments using the Internet?

Yes.

Question 13. Are there other more appropriate governance arrangements not discussed above and that should be considered?

Yes – a less bureaucratic option 1 i.e. without a separate standards group. This should continue to only consider those documents explicitly referred to in the Distribution Code.

Question 14. Should drafting committees for standards falling under the Panels be open public meetings? If so, how is this best achieved?

Public access should be provided by a **website** publishing participants (and who they represent), agenda, notes and draft documents. Whilst public meeting can have a role in ensuring that all issues have been identified, they are rarely conducive to standards drafting. It should be left to individual drafting committees as to whether a public meeting would assist in the particular area being considered.

Question 15. Is it necessary for drafting committees to have fully independent chairpersons? If so who might such people be?

No – it is important for such committees to have clear terms of reference and criteria against which the standard should be judged. With this the chairperson does not need to be fully independent.

Question 16. How best can third parties, particularly small players, take part in development of industry standards and how should this be funded?

Principally via Trade Associations. There may be a role for DTI to assist in the creation of trade associations for new technologies.

Question 18. Overall, which option do you regard as the preferred way forward?

As highlighted by the response to question 13, a less bureaucratic option 1. i.e. without a separate standards group.