



United Utilities PLC
Dawson House
Great Sankey
Warrington WA5 3LW

Telephone 01925 237000
www.unitedutilities.com

David Haldearn
Director, Scotland & Europe
Ofgem
9 Millbank
London
SW1P 3GE

Direct Line 01925 237096
mike.boxall@uuplc.co.uk

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Dear David

BETTA Consultation on GB CUSC & GB BSC

Your recent consultation paper on the development of GB wide versions of the Balancing and Settlement Code (BSC) and Connections and Use of System Code (CUSC) are mainly directed at generators and suppliers – the active participants in the wholesale electricity market. However there is one general issue that I would like to make from our perspective as a licensed electricity distributor.

Both the BSC and CUSC are complex and voluminous documents, which have relatively little of relevance to DNOs. I believe it would be much more appropriate to strip out the necessary contractual relationships between NGC and DNOs into separate documents, and relieve DNOs of their current obligations to be parties to the BSC and CUSC.

Our interests in the BSC relate not to the core trading activities, but mainly concern the provision of metering services to NGC. These could be handled quite satisfactorily through bilateral contracts. Our requirements in CUSC relate only to specific connections that link one network to another, and not to the interactions with trading parties. Again these could be handled through bilateral agreements.

The current arrangements, including governance mechanisms in which DNOs have little voice, do not seem appropriate. We are tied to change control processes designed to manage the interests of generators and suppliers and are forced to sign up to codes, most of which are not relevant to our business operations.

I hope you will be able to use the opportunities created by BETTA to simplify the contractual structure for DNOs. If you wish to discuss these issues further, please contact me at the number above.

Yours sincerely

Mike Boxall
Head of Electricity Regulation

