

Christiane Sykes
Trading Arrangements



David Haldearn
Director - Scotland and Europe
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

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Reference **Response to conformance of standards under BETTA consultation**

Dear David

Thank you for the opportunity offered to Powergen to comment on the above consultation. To achieve the objectives of BETTA, we feel that standards should be unified across GB, wherever practical, pre BETTA go-live. We recognise that only a limited amount can be done within the BETTA timescale. However, we stress the importance of ensuring that the commercial implications of not unifying the standards are fully understood. Where standards are not unified, there is the potential for competition to become compromised in the following ways:

- Incumbent transmission users operating in an area with a particular standard may have an advantage over new entrants to that area
- Differing standards may result in different charges, associated with connection to and use of the system, giving an advantage to a transmission user in one area, over another
- An objective of the E(TT) Bill, that is, the removal of the concept of authorised areas for transmission licensees, might be compromised where the SO deems asset investment is required, as the ability for TOs to understand different standards would inhibit their ability to compete in other areas on an equal footing
- In a fragmented system, resulting from inconsistent standards, it would be difficult for the authority to ascertain if the SO was favouring its affiliated TO

Any commercial implications associated with unifying standards ought to be considered alongside STEG's work. We would suggest a working group to discuss consultation responses, open to members from a cross-section of the industry, to analyse some of the differing standards in detail and subsequently, to provide a report and possibly recommendation, on their findings to Ofgem.

A key objective of STEG when considering which standards it would be practicable to unify should also be to provide an estimate of the timescale in which such changes might be made. Post BETTA, it will be much more difficult to make any changes and so realistic timescales should be published by the

Powergen UK plc
Westwood Way
Westwood Business Park
Coventry
CV4 8LG
T +44 (0) 24 7642 4000
F +44 (0) 24 7642 5432
www.powergen.co.uk

Authority. A notice can then be served to the industry that a particular standard will be unified by a set date, to allow stakeholders, especially the Scottish TOs, to put the necessary mechanisms in place to accommodate any future changes. The costs of these changes should be allocated in proportion to associated benefits.

In an ideal world, we would hope to see common standards across GB, pre BETTA go-live, however, we accept that, given the cost of unifying standards before BETTA implementation and the limited time frame to work within, this would not be possible. Moreover, we accept that significant contention may lie in unifying certain standards and so it is vital that such areas are consulted upon separately and discussed as part of STEG and a commercial implications work group.

We look forward to a more detailed review of the standards and Ofgem/DTI's timetable for the analysis work.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'C Sykes'.

Christiane Sykes.