

Mr Andrew Walker
Director – Regulation & Financial Affairs
Ofgem
9 Millbank
London
SW1P 3GE

Avonbank
Feeder Road
Bristol
BS2 0TB

Telephone 0117 933 2277
Fax 0117 933 2428
Email bwestlake@westernpower.co.uk

Our ref

Your ref

Date

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Dear

Regulation of the New Electricity Distribution Licence Holders

Thank you for the opportunity to comment on the proposed modifications to the standard distribution licence conditions to reflect the granting of new licences.

We support the principle that consumers served by new licensed distributors should be afforded the same level of regulatory protection as those served by existing distributors. Therefore we have no comments on the content of the proposed licence conditions.

However we have some comments about the form of the proposals.

1. As these proposals only apply to future distribution licensees, the creation of two virtually identical, but differently numbered, sets of Standard Conditions could lead to unnecessary confusion and complexity, for example when further licence modifications are required. If licence requirements are to be common to all distribution licence holders than they should be moved to general section B for all existing licence holders. There is already sufficient flexibility within the licence to allow for the differing situations of licence holders through the ability of the Authority to switch-off conditions, to disapply conditions, or agree to waive requirements in individual cases.
2. We note that the proposals to extend the requirements to offer MPAS services do maintain a single standard distribution licence, as existing distribution licences will be subject to modification.
3. By creating two sets of voting parties, we are concerned that over time, these proposals could result in the development of two standard distribution licences having different sets of licence requirements.

4. Under the proposals Standard Condition 50 would not apply to ex-PES distributors operating outside of their distribution services area, creating a potential anomaly.

5. To renumber the new Standard Conditions 50-55 is very confusing as this would imply that they still fall under Section C, rather than Section B (numbered standard conditions 4 –31). As an alternative may we suggest that Standard Conditions 30 (currently 'Not Used') is used for Charging Arrangements and Standard Condition 31 is renumbered as Standard Condition 31, 31A, 31B and 31C to accommodate the Financial Ring Fencing Conditions.

I hope these comments are helpful.

Yours sincerely

R G Westlake
Regulatory & Government Affairs Manager