

Consultation on distribution licence applicants that are affiliated to IDNOs

Dear Heather,

OFGEM and the DTI has spent considerable time introducing competition into the electricity and gas markets, and although in its infancy I believe that the benefits are starting to show. The concept of DNOs being able to establish affiliated IDNO licences to operate within their licence area has to be flawed and go against all that OFGEM has tried to achieve to date.

All the current DNOs would simply operate their current assets under thier DNO licence and apply for an IDNO licence for all new major connections so they can be more competitive and not comply with section C of the distribution licence.

In April last year the tariff support allowances and operation and maintenance charges were removed to stimulate competition and level the playing field and as a result the number of networks installed and adopted by non DNOs will increase. If DNOs are allowed to operate under an affiliated IDNO licence within their area it will be very difficult for any other organisations to compete.

As a major utility infrastructure consultancy we have great experience in the negotiation of competitive electricity connections and stongly feel that the operation of affilated IDNO licences will destroy competition. Let the DNOs compete out of area.

Thank you for the opportunity to view my concerns.

Regards,

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