



SP Transmission & Distribution

Mr M Crouch
Director – Electricity Distribution
Ofgem
9 Millbank
London
SW1P 3GE

Your ref

Our ref

Date

10 August 2007

Contact/Extension

01698 413475

Dear Martin

PROPOSED DISTRIBUTION LICENCE CONDITION 4F

I am writing on behalf of SP Distribution and SP Manweb in response to the Section 11A notice dated 13 July 2007.

We do not object to the proposed licence condition.

The SP Manweb Commitments

I understand that Ofgem is currently reviewing whether there needs to be an ongoing requirement for the SP Manweb Commitments in view of the new licence standards of service and associated reporting requirements together with the recent changes to our internal processes and reorganisation of Core Utility Solutions. I hope that you will appreciate that it would be unreasonable for us to be required to maintain two separate reporting systems for competition in connections and we would expect this issue to be resolved in the near future and in any event, well before the new licence condition comes into effect on 1st October 2007.

Guidance Document

We note that the SLC 4F guidance document appears to impose additional obligations and potentially conflicts with the licence condition in some areas. For example, the guidance (but not, explicitly, the licence condition) permits a request for final works or phased energisation to be made before all conditions precedent have been met.

We agree with the view in your covering letter that *“the purpose of the guidance document is to provide further clarity concerning the requirements of the licence and the associated reporting arrangements”*.

Members of the ScottishPower group

New Alderston House, Dove Wynd, Strathclyde Business Park, Bellshill ML4 3FF
Telephone 01698 413000 Fax 01698 413053

To avoid risk of unintentional conflict or misinterpretation we believe the guidance document should include a clause to the effect that it does not impose additional obligations beyond those in the licence condition, and that in the event of any inconsistency the licence condition shall prevail (i.e. similar words to those currently included in the revenue reporting RIGs under DLC 50). This is of particular importance given that compliance with the guidance is itself a licence requirement.

I look forward to hearing from you but please contact me if you have any queries.

Yours sincerely



Scott Mathieson
Regulation, Director, Networks

Cc: Roger Morgan, Senior Manager, Connections Policy
Maxine Frerk - Director, Governance, Consumer & Social Affairs