



SP Transmission & Distribution

John Scott
Technical Director
The Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Your ref

Our ref

Date

21st September 2007

Contact/Extension

Graeme Vincent
01698 413504

Dear John,

Electricity Distribution Network Planning – Engineering Recommendation P2/6

I am writing on behalf of ScottishPower Energy Networks, which includes the licensed distribution businesses of SP Distribution Limited and SP Manweb plc.

We acknowledge the benefits that the network planning standard ER P2/6 and its predecessor ER P2/5 have delivered, we also recognise the limitations that these documents may have in the modern operating environment. We recognise the work undertaken in the last few years to update the document to reflect the contribution made by modern types of generation to security, however, we understand the reasons why a further review, particularly on the requirements laid out in Table 1 may be required.

The open letter proposes a number of short term options and whilst the do nothing option clearly means least change to the industry we recognise that this leaves potential for some ambiguity regarding compliance with Condition 5(1). We therefore do not support option i.

As regards deletion of the SLC 5(1) reference to P2/6 (option ii), whilst recognising the benefits that the quality of supply output incentives have had, particularly at the lower voltages in reducing the number of customer interruptions and their duration, we would suggest that removal of the reference to ER P2/6 may put at risk observance of minimum standards across GB. It is possible that reliance on the QoS output incentives may actually increase the security requirements applied by DNOs, particularly at the lower voltage levels and thereby increase costs to be commensurate with level of security implied by the output incentives. However, not all distributors are subject to quality of supply incentives. This approach may therefore lead to inconsistencies and greater ambiguity of security requirements especially for those third parties providing connections to or via a DNO network.

We acknowledge that under this option licensees would still have an obligation to comply with the planning standard through Licence Condition 9 (Distribution Code) - assuming that the Standard continues to be referenced there. However, an explicit reference to ER

Members of the ScottishPower group

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

P2/6 in the licence itself is more likely to ensure that a minimum and appropriate level of security is incorporated into network designs carried out by Independent Connection Providers (ICPs) and Independent Distribution Network Operators (IDNOs) as well as by DNOs. Accordingly, we do not support option ii.

We are supportive of a short term review (option iii) to encourage changes to ER P2/6 to remove the enforceability ambiguity and also to address the shorter term issues identified via the KEMA/IC Report such as the improved clarity regarding definitions. However, we do not believe that the effort involved in this area should deflect from the need to update ER P2/6 to reflect the modern operating environment and changes in societal behaviours which have occurred since the original development of the standard in the late 1970's. These changes in societal pressures and customer expectations may impact on baseline requirements and economic enhancements.

With regard to the specific bullet points raised by KEMA/IC, as mentioned above we are supportive of improving the clarity of terminology used within ER P2/6 and also of reflecting that maximum demands may now occur during other times of the year rather than the historically assumed winter period. In relation to the substation design at GSPs we believe that this issue should be adequately covered by discussions at the regular technical interface meetings between DNOs and the GBSO, although greater clarity regarding the responsibilities for compliance at the interface may be helpful. It is not expected that the output from the GCRP Working Group will affect the design of substations at the DNO/NGET interface as it is focussed on improving (and increasing) the data flow between both parties and has an emphasis on the GB SQSS requirements at these sites rather than ER P2/6. Worthy of note is that the security requirements at the interface being discussed within the working group reflect reasonable outages for maintenance but do not consider long term construction outages. This latter issue was also noted within the KEMA/IC report as requiring further consideration.

As the previous changes to change ER P2/5 to ER P2/6 took some considerable time to progress to completion and involved a considerable amount of input from the industry, we welcome Ofgem's acknowledgement that it is unlikely that any changes could be effected in time for the next Control Period and that the impact on costs to the DNO will be assessed prior to progressing any change process.

In conclusion, we would support the short term measures to remove the current ambiguity as identified by Ofgem and improve the clarity of definitions as identified by KEMA/IC. We would not support the removal of reference to ER P2/6 or any part of the obligations contained with the Security of Supply standard from SLC5 as this will potentially put at risk the minimum levels of supply security provided to all GB customers.

We would be pleased to support the change process and look forward to participating in any discussions regarding the development of any replacement for the current network planning standard.

Yours sincerely,



Graeme Vincent
Senior Engineering Consultant