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Our ref

Your ref

Date

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Dear Simon,

Electricity Distribution Licence Review – Proposals

I am writing on behalf of “WPD”, Western Power Distribution (South West) and Western Power Distribution (South Wales) plc.

WPD was represented on the Working Group and therefore we had the opportunity to contribute to the discussions and the detailed drafting of the revised licence. As a result we are happy that the proposals maintain the obligations and underlying policy contained in the current standard licence conditions.

In view of this WPD does not intend to object to these proposals.

We recognise that the process has been open and constructive and has followed the principles of Better Regulation.

We believe that the new structure of the licence and clearer style and format and headings will make the licence more accessible to new users of the licence.

The electricity and gas licences are key industry documents and as such should be accessible to users in up-to-date and accurate consolidated conformed documents on Ofgem’s on line E-Register. This newly revised licence presents the ideal opportunity for Ofgem maintain an updated Distribution Licence on its E-register. For this reason it is sensible to adopt the entire package as a single modification rather than have several hundred different licence modifications.

It is WPD’s position that where possible all distribution licence holders should be expected to adhere to the same licence requirements. Therefore we welcome the restructuring of the licence to bring Section C and Section BA together as common



requirements relating to ring fencing. We would support making the aligning of small number of variant provisions for DNOs and IDNOs so that there is no issue in relation to collective modification voting rights.

We also support the proposal to require all distributors to comply with a single GB wide Distribution Code.

We support the simplification of the arrangements for codes of practice and vulnerable customers. The Discretionary Reward has encouraged DNOs to progress innovative service improvements for vulnerable customers. Bureaucratic Codes of Practice are therefore no longer appropriate as it has been shown that licence holders are best placed to improve their services. We are satisfied that other drafting changes simply reflect current best practice and Ofgem guidance.

We support the proposal to uprate the financial limits on disposal of assets from £100,000 (index linked £163,000) to £200,000.

We support the consistent use of the term “regulatory year” as this is commonly understood across WPD.

We support the proposed mechanism detailed in paragraph 2.40 to address consequential changes to the Special Conditions. We do not support changes to the Special Conditions except in very exceptional circumstances.

With regard to Chapter 4, we would support considering these areas as part of DPCR5 with a view to removing an unnecessary administrative burdens.

Yours sincerely



ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager