

By e-mail to licensing@ofgem.gov.uk

Your ref

Lisa Charlesworth
Industry Codes and Licensing
OFGEM
9 Millbank
London
SW1P 3GE

Our Ref

Date

26 April 2013

Contact / Extension

Jeremy Blackford

0151 609 2346

Dear Lisa

Statutory consultation on licence modifications to implement Code Governance Review (Phase 2) Final Proposals

I am writing in response to the consultation issued on 27 March 2013.

We have some comments of detail on the proposed modifications that are set out in the attachment.

I hope that this is helpful but please contact me if you have any queries or would like to discuss.

Yours sincerely



**Jeremy Blackford
Regulation and Commercial
SP Energy Networks**

New Alderston House, Dove Wynd, Strathclyde Business Park, Bellshill, ML4 3FF

Telephone: 01698 413000, Fax: 01698 413053

www.scottishpower.com

SP Transmission Ltd, Registered Office: 1 Atlantic Quay, Glasgow, G2 8SP Registered in Scotland No. 189126 Vat No. GB 659 3720 08
SP Manweb plc, Registered Office: 3 Prenton Way, Prenton, CH43 3ET Registered in England and Wales No. 2366937 Vat No. GB659 3720 08
SP Distribution Ltd, Registered Office: 1 Atlantic Quay, Glasgow, G2 8SP Registered in Scotland No. 189125 Vat No. GB 659 3720 08

Statutory consultation on licence modifications to implement Code Governance Review (Phase 2) Final Proposals

Detailed comments by SP Energy Networks.

- (1) Electricity Transmission Licence Condition B12 (System Operator – Transmission Owner Code)

Paragraph 2(b) last bullet point

Please insert “s” after “paragraph”

Paragraph 6(b)(ia)

Please insert “paragraph” before “6A” for consistency with style elsewhere in the licence.

Paragraphs 6A and 6D (self governance route)

These paragraphs read as if they are competing routes to self-governance determination. It would be easier to follow them if the two routes set out in paragraphs. 7(b)(iv) and (v) were named as appropriate. That is to say, in paragraph. 6A add “(the ‘self governance route’)” after “paragraph 6A” in the second line, and make the corresponding change to paragraph 6B.

Paragraph 6H – consistency between STC and the Code of Practice.

As it is not in the licensee’s gift to guarantee consistency between the STC and the Code of Practice, there should be a caveat at the beginning of the paragraph along the lines of “the Licensee must take all appropriate steps within its power to ensure that ...”.

- (2) Electricity Distribution Licence Condition 22 (Distribution Connection and Use of System Agreement)

The treatment of self governance in the drafting is not very clear. There is no definition provided of “self governance” or explicit criteria for how it is to be applied (unlike in other conditions where these changes are to apply). Paragraph A3F in appendix 1 provides for criteria to be specified “in accordance with parts B to D” for modifications that do not require the Authority’s approval. However, those parts of this condition do not clarify where self-governance should apply.

It would be easier to follow the provisions of the self-governance route if paragraph 22.9F referred to self-governance criteria which were set out explicitly (see for example the proposed changes to transmission licence condition B12 in relation to the STC, which include a definition of self-governance criteria). We note the

intention to rely on the existing criteria for Part 1 matters set out in DCUSA for purposes of self governance. However, we think that there should an explicit reference to the criteria concerned in the licence.

Paragraph 22.13C – consistency with the Code of Practice

Please see our comment above on the corresponding proposed provision in transmission licence condition B12.

(3) Electricity Distribution Licence Condition 23 (Master Registration Agreement)

Paragraph 23.10 – consistency with the Code of Practice

Please see our comment above on the corresponding proposed provision in transmission licence condition B12.