

FORTH PORTS LIMITED

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James Veaney
Head of Distribution Policy - Smarter Grids & Governance
Ofgem
(via email: licence.exempt@ofgem.gov.uk)

14th October 2013

Dear James

As you are no doubt aware, Forth Ports own and operate a number of ports on the East Coast of Britain and have the first two licence exempt networks (Tilbury and Leith) with an Ofgem approved methodology for the supply of electricity across a private network by a third party supplier.

We have worked tirelessly to try to facilitate the supply of third party power across our networks when requested. We are now in a position, whereby the process is becoming transparent, but still there is a lot to achieve and formalise to make the process straightforward for customers who want to swap from the network operator to a third party supplier.

We have previously commented on two iterations of this DCUSA change process. On each occasion the need for this change in the case of private networks akin to ours was unclear; a point I have discussed with your colleagues. However, I understand that there are issues with large residential blocks that may result in a section of electricity network between the LDNO and the customer. If this is the target surely that should be clearly stated and tackled, rather than a blunt approach being taken. I have found the consultation documents to be virtually impenetrable. I have asked a number of consultants and industry parties for advice and guidance in relation to the consultation. This has resulted in conflicting views. One party has stated that this change does not affect us in any way; another stated that it moves us onto section 5 of the NTC. Some have said that this is appropriate and another has said that it is not.

The previous DCUSA responses to my comments have been that this would not impact upon us as we would have a bilateral agreement – this appears rather an assumption. Aside from this, I understand that LDNOs are moving away from bilateral agreements in favour of the NTC (for obvious reasons) or making reference to the NTC in any bilateral agreement. As I read the document, this places responsibilities (and liabilities) upon non-DCUSA parties – can DCUSA do this? How would a non-DCUSA party know they had these responsibilities and liabilities? We have found (through having the first two approved charging methodologies and therefore being drawn into a number of related industry committees) that we are at the knowledgeable end of the private network operators. We do however, really struggle to resource the relevant consultations and working groups related to private networks, generally we have found out about them by coincidence, rather than by design. It is rare for other private networks to be represented at these groups.

Given the uncertainties, we cannot support this change. If you (or colleagues) wish to discuss this further, please contact me.

Yours sincerely



Dr Derek McGlashan
Environment and Energy Manager