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By email to: HalfHourlySettlement@ofgem.gov.uk

6 January 2017

Dear James

Mandatory Half-Hourly Settlement: aims and timetable for reform

Thank you for the opportunity to respond to the above consultation. This letter should be treated as a consolidated response on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc.

The appendix to this letter sets out our answers to selected questions which are relevant to our activities as a Distribution Network Operator and we hope that you will find our comments helpful. If you have any questions, please do not hesitate to contact me.

Yours sincerely



James Hope
Head of Regulation & Regulatory Finance
UK Power Networks

Copy: Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks

Appendix

Mandatory Half-Hourly Settlement: aims and timetable for reform – UK Power Networks' answers to the consultation questions

Chapter Three

Question 3.1: Do you think we have identified the necessary reforms? Are there other reforms that should be listed? If so, what are they and how would they fit in the proposed plan?

Currently we are not aware of any other reforms that should be incorporated into the proposed plan. However, we would like to propose the following amendments, which reflect the current industry structure and responsibilities:

- References to Gemserv in the Entity Responsible column should be replaced with the MRA Executive Committee
- References to Electralink in the Entity Responsible column should be replaced with the DCUSA Panel
- References to BSE in the Entity Responsible column should also include Elexon

Question 3.3: How much expertise and time can your organisation provide? How does this interact with other Ofgem initiatives?

We have personnel with a working knowledge of the BSC, MRA, DCUSA and other industry change processes. Availability would be subject to volume changes driven by Ofgem and industry parties.

Question 3.4: What are the key risks and constraints to delivering to the timetable outlined?

A clear and detailed set of agreed industry changes must be in place before the process to change central systems and industry parties' systems and business processes can be defined. Once the requirements are clearly defined, sufficient time is needed to make the necessary changes.

In addition, sufficient time must be allowed for system and business process testing, to minimise the issues raised post go live.

Question 3.5: Do you agree with the dependencies in Figure 1? If not, please explain what changes you suggest and why.

Based on the information available, the high level dependencies set out in the plan appear reasonable.

Question 3.6: What are the barriers to making changes to central systems and industry rules by the first half of 2018?

The industry design incorporating changes to industry rules must be completed before work can begin on the central systems. Given the critical role of central systems, there needs to be adequate time to design and code the changes then test functionality and system performance.

Chapter Four

Question 4.2 (Paragraphs 4.2-4.7): Do you agree with the scope of issues identified in this section? Are there any others we should be considering?

Based on the information available, the scope of issues appears reasonable.

Question 4.3 (Paragraphs 4.8-4.17): Do you agree with the scope of issues identified in this section? Are there any others we should be considering?

Due to their special nature, NHH Unmetered Supplies should also be taken into account when considering changes to the settlement process and the treatment of NHH consumers.

Question 4.4 (Paragraphs 4.18-4.27): Do you agree with the scope of issues identified in this section? Are there any others we should be considering?

Based on the information available, the scope of issues appears reasonable.

Question 4.5 (Paragraphs 4.28-4.38): Do you agree with the scope of issues identified in this section? Are there any others we should be considering?

Based on the information available, the scope of issues appears reasonable.

Chapter Five

Question 5.1: What is the best way for us to use the expertise of stakeholders? What have you found helpful in the past?

Different approaches may be required at different stages of the project. For example:

- Design advisory group
- Cross code workgroups
- Dedicated workgroups for each code