08 February 2019

Ofgem,

10 South Colonnade,

Canary Wharf,

London,

E14 4PU.

Dear Sir / Madam,

**Consultation on licence conditions and Guidance for network operators to support an efficient, coordinated, and economical Whole System:**

Thank you for giving Leep Electricity Networks Limited the opportunity to comment on the consultation detailed above. We acknowledge that the whole system approach is appropriate and that as a licence holder we are duty bound to develop and maintain efficient, coordinated and economical systems under the Electricity Act. We also recognise the benefits of a ‘whole system ‘approach and the need for a coordinated approach.

However, although we appreciate proportionality is a deemed consideration, especially for smaller IDNOs, there may be an impact on limited resources and systems. Responses to the individual questions are detailed below;

***Q1) Do you agree with the proposal to clarify Whole System responsibilities through licence and supporting Guidance? Where possible, please provide evidence and examples to support your views. In particular please describe:***

***a)*** ***The potential benefits you might expect to result from these proposals?***

***b) If there are any material costs or issues for you in relation to these proposals?***

1a) As an IDNO we would hope for improved working relationships with DNOs. For example, a reduction in waiting time for connections and costing data due to this being made available on DNOs websites.

1b) With regard to the transfer of funding between Distribution Network Owners, we would like to see further guidance how this should work from a practical perspective. What rules would be put in place with regard to agreed rates, payments, settlements, dispute resolution etc.?

***Q2) Do you agree with the proposed scope and content of these licence conditions and Guidance? Please provide any specific comments you have on the attached draft, including illustrative examples, and where possible, please provide reasons and evidence to support your response, in particular:***

***a) Are there other examples or areas of activity which you consider should be  
highlighted, or do you see the need for further clarity in any area?***

***b) Do you consider these would be beneficial and proportionate? Are there any aspects which should not be included?***

2a/b) Our view is that the guidance needs further development in order to fully understand the impact on all stakeholders.

***Q3) These proposals require licensees to engage and coordinate with Stakeholders. This recognises that a range of parties may have an interest in different aspects of the system, and the licensees should seek to engage with those with an interest in a given situation. Do you agree with this approach?***

3) We acknowledge that the there is a need to coordinate with all impacted stakeholders. However, although we appreciate proportionality is a deemed consideration, especially for smaller IDNOs, there may be an impact on limited resources and systems.

***Q4) Do you consider any changes or clarifications are needed in relation to  
industry code objectives, notably the Distribution Code and the Grid Code, to support the delivery of Whole System outcomes? Specifically,***

***a) Do you see the need for further change or clarification to the code objectives themselves, or their interpretation, e.g. through introduction of a specific relevant objective in relation to Whole System actions?***

***b) Have you identified any interactions of these provisions with wider aspects of industry arrangements which should be considered in developing them?***

4a/b) We agree that Code objectives should be impact assessed as part of this review.

***Q5) Do you believe further, specific guidance in any area, and in particular in  
relation to efficient connections and constraint management (eg in preparedness for electric vehicles or increasing distributed generation) would be beneficial? Please provide reasons and, where possible, evidence to support your answer.***

5) We would welcome guidance in these and other areas. However, in order for it to be of greatest benefit, and deliver the most effective whole system efficiencies across the ‘wider network’, this must be developed by all impacted parties in a co-ordinated, structured manner.

***Q6) For which relevant datasets or information do you consider the need for  
availability and accessibility is greatest, in order to deliver Whole System benefits? Do you consider there to be any significant barriers to sharing these? Please provide specific suggestions for what you consider to be effective sharing arrangements, including required enablers and governance, such as the development of any industry standards?***

6) There may be some concerns regarding the sharing of confidential information that may be deemed commercially sensitive.

***7) Do you agree with the proposal to apply these provisions to all electricity distribution licence holders, including IDNOs, and onshore TOs, and to exclude the ESO, offshore TOs and interconnectors? Where possible, please provide reasons and evidence to support your response.***

7) This approach appears fair, however in order to ensure that the market functions freely and any provisions don’t stifle competition, it must be proportionate and relevant to all parties.

Yours sincerely

p.p. *P.Jeffery*



Kathryn Dodgson

Director of Regulatory & Legal Affairs

**For Leep Water Networks Limited**