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Dear Alex,

Key enablers for DSO programme of work and the Long-Term Development Statement

I am writing on behalf of ESP Utilities Group (“ESPUG”) (comprising the licenced companies ES Pipelines Ltd, ESP Connections Ltd, ESP Networks Ltd, ESP Pipelines Ltd and ESP Electricity Ltd). We welcome the opportunity to respond to Ofgem’s “Key enablers for DSO programme of work and the Long-Term Development Statement” consultation dated 6th December 2019.

Overall, ESPUG is supportive of the Distribution System Operation (DSO) work programme, and we agree that the Long-Term Development Statement (LTDS) is an important enabler for DSO. The LTDS will provide value by improving coordination and planning between network operators and availability of information for customers. We do however have some concerns with regards to the underlying applicability and availability of information required under the LTDS, if the requirements are not amended appropriately should Ofgem decide to issue a direction to IDNOs.

Whilst we support the coordination of information between IDNOs and DNOs, it is essential to note that IDNOs do not operate in a single distribution area. If IDNOs become obliged to provide the same information that DNOs currently provide in the LTDS Form of Statement (FoS), due consideration must be given to the cost and value of this information against the benefit to end users. For example, we believe it’s extremely unlikely that IDNOs would be able to provide meaningful forecast information to end users due to the size and distribution of their networks without duplicating information contained in the DNO statements. We would suggest a single source of truth would be preferable to end users, which would also reduce the risk of ‘double counting’. Any potential impact on competition for new connections must also be considered. For example, requiring IDNOs to share network information such as design philosophy and practices with their competition could discourage innovation.

In regards to Part 2 of the LTDS, we expect there may be some data IDNOs simply may not be able to provide. An example of this could be circuit data/transformer data on EHV networks, which they would not monitor if they do not own any.

Due to this, we would encourage Ofgem to consider the value to industry on a section by section basis before issuing a direction to IDNOs to produce a LTDS. If there is a clear benefit to be gained from IDNOs publishing information in the form of an LTDS, we believe an amended form of the LTDS for IDNOs should be taken forward due to the reasons set out above. Consideration should also be given when setting any timing requirements for publication due to dependencies between the IDNO and boundary DNO.

If you wish to discuss any of the issues raised in our response or have any queries, please feel free to contact me on 01372 587532.

I confirm that this letter may be published in the public domain.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'EA', enclosed within a light gray rectangular box.

Emmanuel Ajayi
Regulation & Policy Analyst
ESP Utilities Group

Appendix

Question 15: Do you agree that IDNOs should be issued with a direction to produce a LTDS?

We would encourage Ofgem to determine the value to industry on a section by section basis before issuing a direction to IDNOs. This will support realisation of the value of the LTDS. We think it's unlikely that industry would wish to review multiple LTDSs for one region. If IDNOs are issued with a direction to produce a LTDS, it should be appropriately adapted to IDNOs rather than mirror the current format that DNOs produce.

Question 16: What summary information should IDNOs publish? This is currently found in section one of the LTDS FoS, such as information relating to the design and operation of all voltage levels of the distribution network. Please explain your reasoning.

Generic information such as the purpose of the statement and non-sensitive network information can be published. However, we have concerns that some of this information such as design philosophy, may be commercially sensitive for IDNOs.

Question 17: What information on network data should IDNOs publish? This is currently found in section two of the LTDS FoS. Please explain your reasoning.

IDNOs can provide circuit, load and transformer data currently. However, as mentioned in our covering letter, this should be with consideration to each IDNOs network. An example would be the provision of EHV network data, where the IDNO does not own any EHV networks.