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19 June 2006

Dear Colleague

Decision in relation to the introduction of Engineering Recommendation G5/4-1 and the consequential Distribution Code amendments

Following a period of consultation, the Chair of the Distribution Code Review Panel (DCRP) wrote to us on 24 October 2005, on behalf of the ex-PES¹ distribution licensees² ("DNOs") seeking approval to amend the Distribution Code so that Engineering Recommendation G5/4 ("ER G5/4"), cited in Annex 1 of the Distribution Code, would be replaced by Engineering Recommendation G5/4-1 ("ER G5/4-1"). This letter sets out our decision in relation to this request.

Background to the proposed change to the Distribution Code

The quality of electricity supply has a number of characteristics one of which is the quality of the voltage waveform. ER G5/4 sets the acceptable limits for the harmonic content of waveform quality and the requirements for equipment connected to distribution systems that can affect this aspect of waveform quality.

The range of equipment that is affected by ER G5/4's requirements includes certain types of commonly used motor drives. GAMBICA³ is the national organization representing the interests of companies who manufacture these motor drives. GAMBICA identified an aspect of ER G5/4 that they felt would benefit from an update to take account of a measurement method presented in a recently published international standard. GAMBICA worked with the Energy Networks Association (ENA), the custodians of ER G5/4 on behalf of the DNOs, to develop an amendment to ER G5/4 that addressed this issue. GAMBICA also proposed the adoption of a data exchange proforma.

As a result of GAMBICA's representations, modifications to ER G5/4 were produced and consulted on publicly (October 2004) by the ENA under the auspices of the DCRP.

¹ The Public Electricity Supply licensees established at vesting.

² All references to "distribution licensees" in this letter relate solely to the ex-PES distribution licensees. All other holders of a distribution licence are referred to as Independent Distribution Network Operators (IDNO).

³ <http://www.gambica.org.uk/>

Comments were received and incorporated in a revised version. A second consultation was then carried out (March 2005). Only one party commented on this revised version and a minor change was made that addressed this party's concern. Subsequently, the DCRP agreed that the Authority's approval should be sought to modify the Distribution Code to refer to the revised recommendation, to be known as ER G5/4-1. ER G5/4-1 also incorporates a number of minor editorial modifications.

We planned to publish our decision relating to ER G5/4-1 in late 2005 on the assumption that this could coincide with our decision relating to ER P2/6. The ER P2/6 process was extended by the decision to seek a licence change as well as a change to the Distribution Code. With the agreement of the Chair of the DCRP, our G5/4-1 decision has been delayed until now so that our decisions on both standards can be incorporated in the Distribution Code simultaneously.

The DNOs' recommendation

The DNOs are represented by the Chair of the DCRP in matters relating to the Distribution Code. The Chair of the DCRP, supported by the members of the DCRP, has recommended that the Distribution Code should be amended so that ER G5/4 is replaced by ER G5/4-1 in the form sent to us on 24 October 2005.

Ofgem's Consideration of the Report to the Authority

Via our representation at the DCRP, we have followed the ENA's process to modify ER G5/4. We are therefore aware of the issues involved and the public consultation that has taken place. We note that there was only one comment on the proposed version of ER G5/4-1 published for the second consultation and that this was addressed satisfactorily with the party involved.

Ofgem's View

The modification to ER G5/4 relates to the method by which the harmonic current emissions from equipment are calculated. This change will have no effect on supply quality: the allowed limits for waveform quality have not been changed. The equipment manufacturers will see a benefit in terms of the standardisation of certain processes. No disbenefit has been identified to any stakeholder. This proposed change to ER G5/4 is therefore considered to be a detailed technical modification that has no downside for any party.

The Authority's decision

The Authority has now decided to approve the changes to the Distribution Code, in accordance with standard condition 9(2) and (3) of the distribution licence. The implementation date of these changes will be 1 July 2006.

We consider that these changes are appropriate in the context of the distribution licensees' objectives set out in standard condition 9(1)(b) of the distribution licence and our principal objective and wider general duties.

Please do not hesitate to contact me on the above number if you have any queries in relation to the issues raised in this letter or alternatively contact Gareth Evans on 020 7901 7347.

Yours sincerely

A handwritten signature in black ink that reads "John Scott". The signature is written in a cursive style, with the first name "John" and the last name "Scott" clearly legible. A horizontal line is drawn underneath the signature.

John Scott
Technical Director

Signed on behalf of the Authority and authorised for that purpose by the Authority