

Tara Scully
Commission for Energy Regulation

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Tara

ESB Networks has reviewed CER's proposals as outlined in its paper entitled "Proposals for improvement of CER Public Consultation Process". In general, we welcome these proposals as we believe that their implementation will provide greater transparency in the process and also lead to greater involvement by industry participants and other relevant parties in consultations and decisions taken by CER. We do however, have significant concerns in relation to some of the details of the proposal for an "Open hearing" as outlined in section 3.1.1(D). These concerns are outlined below.

Section 3.1.1(D) Proposal for "open Hearing"

ESB Networks agrees with the concept of an open hearing for particular issues and believes that it would offer interested parties the opportunity to query/input into proposals made by regulated entities. However, we believe that this format is only suitable in particular instances. Examples of such instances may be proposals made by ESB Networks in relation to revised policies pertaining to customers/generators etc. The one area which we believe it would not be appropriate or practical to apply this concept to is that of price reviews. Our reasons for this are as follows:

- Price review proposals by their nature are complex. They address the myriad of issues facing a regulated entity such as ESB Networks over both the previous and forthcoming five years of the review. Many of these issues could not readily be addressed by a presentation/open forum style approach with a wide audience.
- From a practical perspective it is difficult to see how an open meeting could adequately address the volume of documentation involved in such proposals without significant time implications for the overall process. For example, in the most recent distribution price review DSO proposals spanned almost 60 detailed spreadsheets of data together with approximately 25 detailed submission documents outlining our proposals.
- Detailed submissions for an ESB Networks Price Review include by their nature proposals regarding infrastructure projects for specific areas of the country. In addition, as part of a Price Determination some of these projects will inevitably be affected. It is not appropriate that this information is made publicly available as part of the price review process as this could have implications both from CER's and ESB Networks perspectives.
- A significant amount of commercially sensitive information is provided as part of a price review in order to support proposals made. Such information could not be included in any "open hearing" and would undermine the value/efficacy of such a process.

Overall, therefore, we believe that a more effective approach to gaining wider input into price review proposals is through the normal public consultation process whereby CER's consultation paper on the price review proposals is published for comment. Under this approach the wider audience is given the opportunity to review fully the detailed price review draft determination which results from CER's comprehensive review and challenge of the regulated entity's proposals.

As stated previously, ESB Networks can see the benefit of the "open hearing" approach being adopted for certain less complex type issues, however, we believe relevant areas should be clearly identified in advance and should explicitly exclude price reviews.

If you have any queries in relation to this response please do not hesitate to contact me.

Regards,

Siobhán