

Brid O'Donovan
Commission for Energy Regulation

18 September 2009

Consultation on Distribution contestability

Dear Brid,

DSO welcomes the recent revision to legislation which allows for the introduction of contestability for generator connections to the Distribution System.

As the bulk of the consultation focuses on DSO's own proposals for implementation of contestability, the complete details of which are not fully bedded down, the consultation period allows the industry has an opportunity to comment on these proposals, and DSO to take these comments on board, where practical and in line with DSO's other obligations under license.

In particular DSO would like to comment on CER'S own proposal with regard to the risk borne by generators pursuing a contestable connection for shared assets.

DSO considers CER's proposal - which is that in the event that a generator in a sub-group does not proceed then the cost of their portion of shared assets will be borne by the TUoS/DUoS customer regardless of whether the asset is being built contestably or non-contestably – is a positive one and should make more feasible the building of contestable assets under the Group Processing Approach. Further to this DSO propose that the calculation of the cost would be based on the share of the standard charge which would have been charged for the asset in question. This is in line with rebate policy on contestable assets.

In the event you have any queries on the above, please contact me at 01-7027078

Regards

Fiona O'Donnell
DSO Regulation
ESB Networks Ltd.