

Maxine Frerk
Senior Partner, Smarter Grids & Governance: Distribution
Ofgem
9 Millbank
London
SW1P 3GE

18 August 2014

Dear Maxine

Ofgem RIIO-ED1 draft determination

UK Power Networks has now had time to carry out an initial review of Ofgem's draft determination for RIIO-ED1. Although our analysis is not yet complete we are pleased to note that Ofgem has recognised some of the issues we identified with the fast track assessment.

However, we have identified a small number of areas where we believe there are material errors or inconsistencies in Ofgem's assessment given the evidence that UKPN submitted. Since 4 August we have raised a number of questions with your team to clarify these issues in advance of our meeting with you on 21 August. We are concerned, given the short timescales, that we have only received responses from your team to two of our questions.

To enable UKPN to have a productive and fully informed discussion with the authority on 4 September please could you ask your team to address these questions (and future questions) as a matter of priority. I have included an appendix of the questions raised and the responses received so far from Ofgem.

If you have any questions about this letter or any of the accompanying material, please do not hesitate to contact me.

Yours sincerely



Keith Hutton
Head of Regulation

Copies:

Basil Scarsella, CEO, UK Power Networks
Ben Wilson, Director of Strategy & Regulation and CFO, UK Power Networks
Anna Rossington, Head of RIIO-ED1, Ofgem

Return Address:
Newington House
237 Southwark Bridge Road
London SE1 6NP