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Ofgem
10 South Colonnade
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By email only to: FWP@ofgem.gov.uk

9 February 2024

Dear Sir/Madam,

Draft Forward Work Programme – 2024/25

Thank you for the opportunity to comment on Ofgem's proposed Forward Work Programme for 2024/25. This letter should be treated as a consolidated response on behalf of our three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. We are Great Britain's largest electricity Distribution Network Operator (DNO), dedicated to delivering a safe, secure and sustainable electricity supply to 8.5 million homes and businesses.

The Forward Work Programme contains an appropriate suite of priorities for the coming year. We look forward to engaging with Ofgem on the scope and timing of its activities to ensure an optimal balance with DNOs' commitments for RIIO-ED2 and preparations for RIIO-ED3.

Our comments on some key areas relating to electricity distribution are set out below.

- Electricity network connections

As a company, we are fully aware of the importance of connections to the distribution network in achieving the country's strategic goals, including net zero. With this in mind, we fully support Ofgem's priority to reform the electricity network connections process, to drive service improvements and accelerate the build of infrastructure to support the transition to a net zero energy system. We look forward to engaging with Ofgem and the wider industry on the detail of its actions to ensure arrangements are fit for purpose and we can act at pace to deliver for customers.

- Local energy governance

We welcomed the publication of your review into the future of local energy institutions and governance in November 2023. We are fully supportive of your intention to undertake the detailed design of these arrangements and begin their implementation. We believe it is crucial to get the details clear and a workable structure implemented in a timeframe that is aligned with the development of the RIIO-ED3 framework.



- Electricity transmission and distribution price control reviews

We welcome the involvement you have afforded DNOs to date in the development of the RIIO-3 price controls for Gas Distribution and Electricity and Gas Transmission. The planned RIIO-ED3 Open Letter will be a key milestone this year and we look forward to engaging with Ofgem to ensure that the RIIO-ED3 price control process is well mapped out to enable the best outcomes to be delivered for customers.

- Onshore RIIO price control operations

We are fully supportive of the intention to continue managing the effective operation of the current RIIO-2 price controls and incentive frameworks, including transparent and rigorous ongoing performance assessment of network company performance. Given 2024 will be the first year of reporting against the new RIIO-ED2 arrangements, we would welcome Ofgem dedicating time and resources to both review and engage with DNOs once submissions have been made. Identifying and implementing any necessary changes early in the price control will be important to avoid being “timed out” ahead of focus moving to the development of arrangements for RIIO-ED3.

- Market-wide half-hourly settlement

UK Power Networks is an active and willing participant in the MHHS Programme, including volunteering for constituent representative positions on a number of the working groups. We are fully committed to achieving the various milestones of the Programme and welcome the engagement from Ofgem and the Programme team to date. Continuing this productive engagement in 2024 should enable parties to respond appropriately to change requests or design changes in an efficient and timely manner and help keep costs down for customers.

Looking ahead to data migration (April 2025 – October 2026), we would welcome clarity on the process for exiting this phase of the programme once the projected 18 month period has elapsed. DNOs are essentially consumers of migrated MPAN data and, other than maintaining an efficient exceptions handling process, are unable to influence other parties’ progress.

- Network charging reform – distribution charging

We look forward to working with Ofgem to build on the activities completed during the earlier stages of the Access and Charging Strategic Code Review, to deliver the elements that will drive the most effective change. It will be important to learn from the implementation and outcomes of recent programmes such as the Targeted Charging Review and the Access SCR and to bear in mind that future changes should be consistent with and work well alongside the existing arrangements.

We hope that you will find our comments helpful. If you would like to discuss any of the points we have raised, please let us know.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'James', followed by a stylized flourish.

James Hope
Head of Regulation & Regulatory Finance
UK Power Networks

Copy: Ross Thompson, Regulatory Performance Manager, UK Power Networks
Gemma Cox, Regulation Analyst, UK Power Networks