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Our ref
668

Your ref
91/05

Date
28 April 2005

Dear Paul

Assessment of the Electricity Distribution Price Control Review Process

I am writing further to the publication of the above document that was published in March on behalf of Western Power Distribution (South West) plc and Western Power Distribution (South Wales) plc.

We welcomed the open and transparent process of this Distribution Price Control Review. We believe that the clear access to Ofgem at all levels, from the analysts through to Sir John Mogg, aided an honest and helpful dialogue, which in turn informed the outcome of this important review.

The workgroups were very useful, providing an opportunity to explore new ideas as well as an open channel to discuss issues and problems. The workshops also provided a useful avenue in supporting the vital two-way communication.

In order to ensure a robust and accurate outcome of any price review, it is imperative that the data for all companies is compiled on a consistent basis using common definitions before comparisons are made. In addition, in making the comparison the basis of comparison should not only be meaningful but also clearly justified. Therefore, the cost reporting project is a major piece of essential work for Ofgem together with the DNOs and it is imperative that the definitions are as accurate as possible and that only relevant data is requested from DNOs. Accurate comparable data will ensure a more precise and fairer result for future price control reviews. We look forward to working closely with Ofgem as this project develops.

Overall we were satisfied with the price review process and would ask that a similar approach be taken for the next Distribution Price Control Review.

I trust that our comments are helpful.

Yours sincerely

ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager