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Dear Hannah,

### **Regulating energy networks for the future:RPI-X@20 Principles, Process and Issues**

We welcome the opportunity to comment on this first consultation and also want to ensure that we play a role through the future consultations, working groups, workshops and seminars on this topic.

We have contributed to, and support the ENA response which provides detailed comments on the key themes of the document. Our response aims to add our additional specific comments that we hope will help inform the process.

### **The Aims and Objectives of the Review**

The purpose of the Review as stated throughout the document is “A two year review of the way we regulate Britain’s gas and electricity networks”. The review must ensure that there is appropriate dialogue and focus given to the role of Gas as well as Electricity. The document and dialogue to date refers on numerous occasions to the LENS project, the working group of the Electricity Networks Strategy group and the various structural debates about the role of Electricity Networks within the energy sector. The review must ensure that the role of Gas Distribution is also appropriately considered. We are concerned about the lack of inclusion of references about the future role of Gas, and that the references in the document (E.g.: Para 1.14 which is duplicated in para 5.11) imply a reduction in the use of Gas Networks without a robust “LENS” type analysis of Gas Distribution.

24 hour gas escape number  
Rhif 24 awr os bydd nwy yn gollwng

**0800 111 999\***

\*calls will be recorded and may be monitored  
caiff galwadau eu recordio a gellir eu monitro

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**The two Inter Related Themes: Focus on Customers and Delivering a sustainable energy sector.**

There is no doubt that the two themes are key. However we recognise there is a potential conflict between the need for a sustainable energy sector and evidence to suggest that current consumers show little appetite for the expense this may incur. This conflict could increase with adverse economic conditions.

**Sustainability & Security of Supply**

We agree the future regulatory regime has to take into account the renewable agenda. The extent to which the networks are part of that agenda may have a significant influence on the perceived appropriate regulatory regime. If there are different roles for Gas and Electricity networks it may be appropriate to have different regulatory regimes. We should therefore fully understand the possible roles of Gas and Electricity to ensure an informed outcome for each sector.

It is our view that Gas will play a large role in security of supply and should play a significant role in a sustainable future.

**Balance of risks and rewards**

We fully support the inclusion of this theme and hope that the outcome of the review establishes an appropriate balance of risk and reward between industry participants. We also agree that the issue of “the guiding mind” is a key output.

**RPI-X**

As covered in the documentation RPI-X has delivered on many key industry indicators and we agree that any change proposals should be benchmarked against the current regime for each of the different sectors.

We look forward to further engagement throughout the review process.

Yours sincerely,



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