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Dear Hannah

Regulating Energy Networks for the Future: RPI – X@20 Consultation

Thank you for the opportunity to comment on the visionary stage of Ofgem's RPI – X@20 Review.

We have contributed to ENA discussion of the paper and support the ENA response on the key themes explored in the consultation document. We would like to add our comments on Chapter 6, in relation to how the current RPI-X regulatory framework may be changed for the future.

We would strongly support the view that the current regulatory regime is not broken. As Ofgem recognises, the RPI-X regime has delivered significant benefits for customers and stable and secure electricity networks. We recognise that going forward there are significant new challenges which will require some adaptation or modification to the existing regime in order to stimulate the innovation that will be necessary to meet these challenges. We do not support ex-post regulation and this introduces greater risk into investment decisions and therefore would stifle innovation and risk taking.

Ofgem needs to be clear in identifying the actual problems that the current regime is unable to address. Then clear criteria should be developed for assessing options for addressing these problems including adaptation or modification to the existing regime.

Yours sincerely



ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager

