

Rachel Fletcher, Director, Distribution
Ofgem
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Dear Rachel

Annual Stakeholder Report on Electricity Distribution

Thank you for the opportunity to express our views in connection with your letter of 17 December. This response covers Central Networks East and Central Networks West (CN), the two licence holders.

CN welcomes and supports the proposals for an annual stakeholder report. We feel this promotes the right behaviours of open and honest communication with stakeholders, one of the key factors in our own engagement strategy reflected by our ground breaking customer panel, and the frank and fruitful discussions held.

CN already publishes a similar report: Keeping the lights on - Our Annual Performance, which provides information on most, but not all, of the areas set out in Ofgem's letter. Our report already includes performance against Customer Interruptions and Customer Minutes Lost for example, and future reporting on the Low Carbon Network Fund is already planned.

Appendix 1 suggests that all of the required information is either already being provided, or is scheduled to be provided for future reporting requirements, with no further, or duplicated submissions necessary. In order to fully endorse such a report we would expect an opportunity to review the proposed data for accuracy prior to publication.

More specific comments on suggested areas of the report are detailed below:

Worst Served Customer (WSC) Fund

We believe that publication of a DNOs actual expenditure in this category, as it is incurred, could give a better indication of the willingness of the

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DNO to try to improve the service to these customers, rather than the amount that Ofgem agrees to fund, which is established later, and dependent upon increased performance being realised.

Guaranteed Standards of Performance (GSoP)

The DNOs performance against the GSoP for connections should be published in this report alongside the proposed timescale for quoting, and not just in the Consumer Focus Report. This is firstly to gain recognition of performance levels in this area and secondly to give stakeholders a balanced proportional view.

New Connections

Timescales to provide connection offers should be included, however the Connections Industry Review is a good comprehensive document for parties interested in analysing competition, and should remain the specialist's reference point.

Areas of Outstanding Natural Beauty (AONB)

We believe that AONB would be of direct interest to more people than the WSC spend, and should be included.

Business Carbon Footprint

Publishing a trend in the scale of the business carbon footprint could be more meaningful provided the report fully explains the starting points, and an explanation of the relationship between DNO size and emissions rather than a league table format.

Expenditure Against Allowances

For all DNOs, capex allowances were the same each year in DPCR4, whereas in reality their plans were to ramp up the amount of work carried out over the period. So in the early years capex was underspent and then overspent compared to allowances in the final years. Clear guidance notes are essential to avoid similar confusion.

Whilst the further inclusions proposed by Consumer Focus are valuable, DNOs already publish this information in the Codes of Practice and Notice of Rights documents. The report could reference and provide a link to these documents in order to keep the report focused.

Should you wish to discuss any part this response in further detail please don't hesitate to contact Nicki Johnson or myself.

Yours sincerely


Policy and Compliance Manager