



## **Comments on Open Letter Consultation on an Annual Stakeholder Report on Electricity Distribution (17 December 2009)**

SP Energy Networks welcomes the opportunity to comment on the issues raised in this consultation.

### *General Comments*

We broadly support the proposed approach and believe that the areas mentioned are those likely to be of most interest to stakeholders.

We would like to have an opportunity to comment on the draft narrative as well as on the template for the report. There is a danger of figures such as for distribution losses misleading readers if taken at face value. For example, reported distribution losses reflect factors other than greenhouse gas emissions.

Some detailed comments on particular areas mentioned in the letter are set out below.

### *Interruptions targets*

It is not clear in the letter whether CI/CML information will be corrected for factors such as severe weather. Again, we would appreciate an opportunity to comment on the proposed layout and narrative in this area.

### *Broad Measure*

The first 'live' year of this new incentive will be in 2012/13, so we would expect this to be reported in 2013/14.

### *Connections*

The proposal to include maximum and minimum times for connection offers to be made by DNO would need to take into account the need for comparisons to be on a like for like basis (for example, related to voltage level).

### *Business Carbon Footprint*

Reported CO<sub>2</sub>-equivalent submissions may be affected by a number of factors such as economic activity, network operational profile, geography or a range of other factors not within the control of the DNO. We also note that the extent to which contractor-related activity is to be captured for reporting purposes has not been finalised. Again, we would like to be able to comment on the proposed coverage of this area so that these factors are taken into account in setting out any quantitative data in the report.

### *Network losses incentive*

Given the influence of non-technical factors in reported losses, we would like to be able to comment on the proposed treatment and narrative in the report.

### *Network Investment (output measures)*

As with other areas, it is important that we have an opportunity to comment on the proposed treatment of output measures.

*Other Information*

We agree that the areas mentioned are likely to be of interest to stakeholders (however, there appear to be some words missing between "energy ombudsman" and "Consumer Direct" in the second paragraph). We would like to be able to comment on the proposed treatment of total expenditure against allowance.