



RPI-X@20: Efficiency Incentives for the long term

Academic Workshop on Ofgem's Emerging Thinking

Graham Shuttleworth

Director

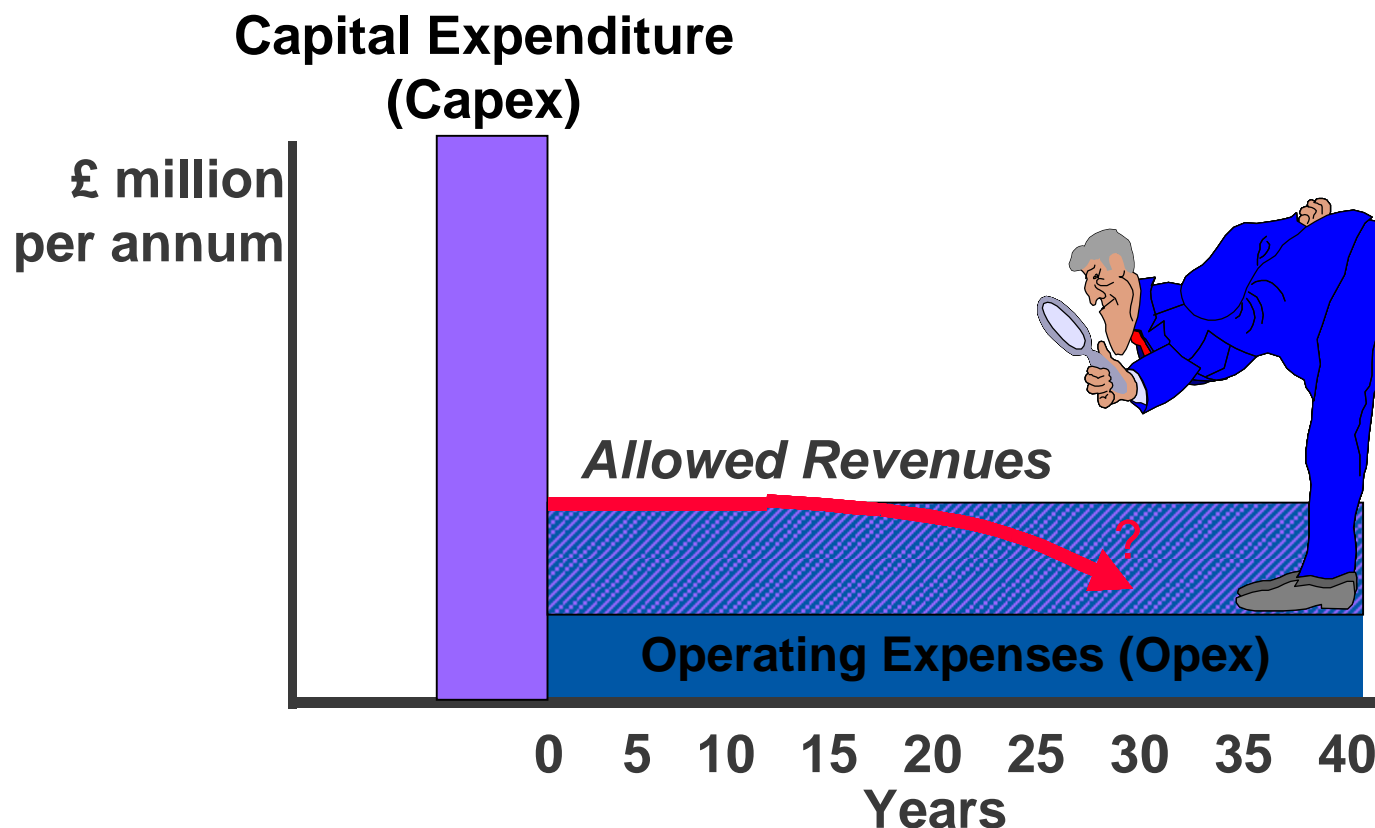
London

23 March 2010

Insight in Economics™

Long term efficiency incentives require a stable and transparent framework

§ Will the new regulatory framework provide strong and targeted efficiency incentives on network companies for the long term?



§ Stable?

- Predictable
- Replicated

§ Transparent?

- Objective
- Non-personal
- Mechanistic

Even regulators agree on the need for stability and assurance of cost recovery



NMa Press Release: February 2010

§ De Keijzer: “For network operators and consumers alike, a stable regulatory framework is of great importance. Stability in regulation is necessary to give network companies and investors assurance that they can earn back their investments and to reassure consumers that network tariffs will stay cost-based.”



Contact Us

Graham Shuttleworth

Director
London

+44 20 7659 8654

Graham.shuttleworth@nera.com