



FINMECCANICA UK LTD

ofgem
9 Millbank
London SW1P 3GE

Attention Anna Rossington

24 January 2011

Dear Anna,

With reference to your consultation on the impact of the IIS on second tier LCNF projects, Finmeccanica UK Ltd would like to register the comments below.

Whilst we recognise that DNOs should not be discouraged from proposing projects that have the potential to improve future energy supply as a result of the IIS, we also feel that it is imperative that the DNOs and their team members should be actively encouraged to identify and use technologies and products in these projects that minimise impact on supply to customers.

As we have previously advised ofgem, we are continuing to develop a new and innovative solution which allows a low cost, high accuracy LV monitoring system to be installed without interruption to the supply. This solution will shortly start field trials and as such we recognise is not mature enough for the recently announced LCNF Tier 2 projects but we expect it to be available for the next round of Tier 2 projects at the end of 2011.

We would propose that any IIS costs should be included as part of the LCN project costs as detailed in your Option 1. This will then not penalise successful DNOs financially and so not inhibit innovative projects being proposed but at the same time will incentivise them to minimise any disruption to consumers by ensuring that they have the most competitive proposals for future submissions.

Should ofgem decide on an alternative approach, we would propose that this should only be valid for the current round of projects and that for future years of the LCN programme, a further round of consultation should be carried out.

Should you require any further information on this response or the system we are developing, please do not hesitate to contact the undersigned.

Yours sincerely

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