

Hannah Nixon
Senior Partner, Distribution
Ofgem
9 Millbank
London
SW1P 3GE

21 September 2012

Dear Hannah

CONSULTATION ON THE INITIAL PROPOSALS FOR RIIO-T1 AND GD1

I attach the Northern Powergrid response to the Ofgem consultation on the initial proposals for RIIO-T1 and GD1.

In this response we have concentrated on those aspects of the initial proposals that apply more generally to regulated network activities such as our own. In particular we have presented comments on:

- outputs and incentives;
- cost assessment; and
- finance.

Our response covers transmission as well as gas distribution initial proposals and I have copied our response to the relevant heads of the price control reviews. We have clearly signposted in the document where we believe our responses are relevant to only one or to both sectors.

We appreciate that you will be very busy meeting with the various stakeholders as you move from the initial proposals to the final proposals stage of the process and we do not wish to make the logistics of this any more challenging than it needs to be for Ofgem. Accordingly, we are not seeking a meeting with you to discuss our representations, but we would be more than happy to give further explanation or information on any of the points that we have made in our response.

Finally, I confirm that our response is not confidential and that it may be placed on the Ofgem website.

Yours sincerely



John France
Regulation Director

cc Grant McEachran
James Grayburn

NORTHERN POWERGRID HOLDINGS COMPANY

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