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31 August 2012

Dear Paul,

Changes to the Ring Fence Conditions in Network Operator Licences

We are grateful that previous comments raised by Wales & West Utilities appear to have been included in the recent consultation draft 'Changes to the Ring Fence Conditions in Network Operator Licences' published by Ofgem in July 2012. We therefore only have one additional comment.

Paragraph 4.6 states that efficient costs of complying with the new licence requirements can be logged up during RIIO-GD1 and recovered through allowances for RIIO-GD2. Although incremental costs are expected to be relatively immaterial, this suggested recovery period is too long. Incremental costs could be captured as part of the annual Mod or mid-term review to allow for timely recovery of efficient costs.

Yours sincerely,



Steve Edwards
Head of Commercial and Regulation

24 hour gas escape number
Rhif 24 awr os bydd nwy yn gollwng

0800 111 999*

*calls will be recorded and may be monitored
caiff galwadau eu recordio a gellir eu monitro

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