

Dora Guzeleva
Distribution Policy
Ofgem
9 Millbank
London
SW1P 3GE

Your ref 149f/12

Our Ref 149f/12/GB

Date 14 December
2012

(By e-mail)

Contact / Extension

0141 614 1970

Dear Dora

Proposed Modification of the Cost and Revenue Reporting RIGs to implement the Distribution Losses Reporting Requirement

I am writing on behalf of SP Distribution and SP Manweb in response to Ofgem's notice, dated 16 November 2012, of proposed modifications to the Cost and Revenue Reporting RIGs (Ref: 149f/12).

We welcome the proposal to remove the existing requirement to report losses, as derived from settlements data. In this regard, we further propose that the redundant definitions are now removed from the Glossary section of the RIGs. This house-keeping would be consistent with the principles of better regulation.

As regards the proposed new Distribution Losses Reporting Requirement, we make the following requests:

1. In the last bullet of paragraph 4.101 replace "portion/s" with "voltage level(s)" or otherwise clarify meaning.
2. Explicitly state that retrospective reporting for regulatory years prior to that beginning 1 April 2013 is not required.
3. In Worksheet V15A clarify whether "Network Location" refers to voltage level or geographic location.

We also observe that "cost of standard [alternative]" is likely to be interpreted differently by DNOs. For example, the 'standard' may variously be viewed as a British standard, European standard, existing equipment, lowest cost available equipment or some DNO specific existing specification. We consider this merits further consideration by a technical industry working group.

Finally, we request that Ofgem reconsider whether the continuing requirement to report, in the BCF table, a losses estimate for the reporting year is still appropriate. It is clear that settlement data cannot be used for this purpose and there is no obvious readily available alternative basis on which to make such an estimate.

New Alderston House, Dove Wynd, Strathclyde Business Park, Bellshill, ML4 3FF

Telephone: 0141 614 0008

www.scottishpower.com

If you or your colleagues wish to clarify any of our comments, or discuss these matters further, please contact me.

Yours sincerely

Garth Blundell
Senior Analyst