

Hannah Nixon
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Ofgem
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22 January 2014

Dear Hannah

DRAFT DETERMINATION FOR WESTERN POWER DISTRIBUTION LTD

I attached a copy of our response to the Ofgem consultation issued on 22 November 2013.

In our response we conclude that:

- unless Ofgem is aware of any material substantive or procedural errors in its assessment of the WPD well-justified business plan, all four WPD licensees should be fast-tracked. Any other decision would be damaging to the RIIO model;
- the cost of equity of 6.7% proposed by WPD in its well-justified business plan remains fully justified; and
- there is no case to fast-track WPD on any basis that differs from the business plan that it proposed. To make any changes to any component would be inconsistent with Ofgem's declared policy on fast-tracking.

This response is not confidential and may be placed on Ofgem's website.

Yours sincerely

A handwritten signature in black ink that reads "John France".

John France
Regulation Director