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Dear Gareth

### **Draft Forward Work Programme 2014/15**

Thank you for the opportunity to comment on Ofgem's draft Forward Work Programme for 2014/15.

This letter should be regarded as a consolidated response on behalf of UK Power Networks' three licensed distribution businesses: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. Our comments are not confidential and can be published via the Ofgem website.

In general we consider that the Programme offers a balanced mix of activities for the coming year and that these are consistent with Ofgem's core policy objectives of providing an affordable, secure and sustainable energy system and protecting energy consumers' interests. We especially welcome the focus on sustainability (including improved protection for vulnerable customers), competition in connections and security of supply.

More specifically, we have the following observations:

- **Reporting network company performance (page 11)**

We note and support Ofgem's desire to monitor network companies' performance; however, we consider that a balanced approach should be taken to performance monitoring and delivery against regulatory requirements, so that the burden on licensees is not increased unnecessarily. We would encourage Ofgem to identify opportunities to remove existing reporting requirements wherever possible, in advance of the next price control.

Furthermore, we believe that Ofgem should explicitly commit to publishing annual reports of network operators' performance, as was done previously. This information is used by rating agencies and other stakeholders and it is our view that their assessment of network companies has been adversely impacted by the lack of reports since 2010/11. We look forward to the publication of full performance reports for the regulatory years 2011/12 and 2012/13 and for the current regulatory year, 2013/14.

- **2014/15 deliverables (Appendix 2)**

We note from the third action listed under *Theme 1 (Promoting Value for Money)* that the Regulatory Instructions and Guidance (RIGs) review is scheduled for publication in the fourth quarter of 2014/15. With regards to the RIGs themselves, it is our view that Ofgem must adopt a phased approach to implementation, to ensure that the review is given an appropriate period of time to be thoroughly conducted.

#### **Customer service**

We encourage Ofgem to work with the industry to implement the three-digit national power-cut number and facilitate network operator access to customer contact data for use in power cuts/emergency situations. Ofgem's involvement in these areas will help ensure the success of these initiatives.

Finally, and from a smart metering perspective, we believe that it is important that Ofgem fully understand and promote the benefits of alerts and alarms such as supply status, last gasp/first breath and voltage monitoring. These facilities will have a positive impact on how network operators manage supply restoration and also ensure improved supply quality management, in a proactive rather than reactive manner.

We hope that you will find our comments helpful and look forward to the publication of the finalised Programme in March. In the meantime, if you have any questions, please do not hesitate to contact me.

Yours sincerely



Keith Hutton  
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UK Power Networks

Copy: Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks