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Dora Guzeleva,
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Our ref

Your ref

Date

-

12 December 2014

Dear Dora,

Proposed changes to the Network Innovation Competition and Network Innovation Allowance Governance Documents

Thank you for requesting feedback on the above consultation letter. I agree that generally the LCNF, NIA and NIC governance arrangements have functioned effectively and therefore only need minor adjustment for the start of the ED1 period.

The specific questions in your consultation are answered as detailed below:

Question 1: Do you agree that this criterion [Evidence of a competitive process when selecting partners] should be clarified to make it clear that licensees must explain their processes for selecting ideas and partners? Please explain your answer.

Yes. WPD has already set out how ideas and partners are selected without our Innovation Strategy. Our approach has yielded high quality project ideas and identified many new organisations with which to work with. Referencing the process and how it was specifically used to support an NIC application in the ISP form is logical.

Question 2: Do you agree that this provision [Clarification of the resubmission process following the second bilaterals] should be amended to clarify that licensees should only make changes to their submissions to correct errors and incorporate changes as a result of discussions with the Expert Panel? Please explain your answer.

I agree that the NIC resubmission should only clarify or respond to specific feedback from the Expert Panel, Ofgem Consultants or Ofgem officials. However from experience of LCNF applications those parties frequently ask for an additional level of information not originally in the full submission due to space limitations. It is common for the licenced network operator to undertake additional work or studies in order to provide information in the format requested in the Q&A process. Care should therefore be taken to ensure questions on NIC applications do not request that additional information is provided that was previously not available during the evaluation process or discussions with the Expert Panel.

Question 3: Do you have any comments regarding the time frame of the NIC process or the submission materials?

I do not see a need to change the current timetable. The ISP and FSP proforma are adequate for the purpose intended.

Question 4: Are there any typographical, formatting or consistency issues associated with the NIC or NIA Governance Documents that you consider should be corrected?

My comments on an earlier draft of the documents have now been incorporated and I have not identified any further issues.

Question 5: Do you have any concerns regarding any aspects of the Gas NIC? Please explain your answer.

No.

Question 6: Please indicate whether or not you plan to make use of the IRM and if so how many applications you intend to make.

It is too early to determine the extent to which the IRM will be used in the ED1 period. Many LCNF projects have yet to conclude and therefore it is difficult to assess the degree of innovation rollout activity that will require support via the IRM.

Should you wish to discuss any aspects of this response please contact Roger Hey, Future Networks Manager (rhey@westernpower.co.uk).

Yours sincerely



Alison Sleightholm
Regulatory & Government Affairs Manager