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21 January 2015

Dear Paul

Consultation on Data Assurance Guidance (DAG) for Electricity Distribution Licensees

Thank you for the opportunity to respond to the above consultation. This letter should be treated as a consolidated response on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. Our response is not confidential and can be published via the Ofgem website.

We have been working with Ofgem in respect of the DAG for over two years and have been supportive of the overarching aims of the work. However, we are concerned that a number of significant points that we have raised have not been fully addressed.

- In respect of the scope of the historic section of the NetDAR report for the first year of the DAG, the definition of the "Past Year" term in 2015 contradicts section two of the comfort letter issued in parallel with the consultation. Our understanding of the agreement reached at the last working group meeting was that for the first year of the DAG, licensees agreed to include in the historic section of their NetDAR report an update on the items in their September 2014 trial report looking forward section. This is not expressed in the main DAG document and caveated in the comfort letter. Section 3 of the comfort letter caveats the scope of the historic section of the NetDAR report such that licensees are required to also provide an update ("additional commentary") on assurance activities in respect of submissions since March 2014. This is clearly a greater scope than was agreed at the last working group, and in any case, the September 2014 submission covers this information and Ofgem already have this. We do not consider that Ofgem have the authority to retrospectively extend the scope of the trial.
- In respect of the closing paragraph in Section 3 of the comfort letter, we understand that Ofgem will take into account any issues that they are aware of, however we encourage Ofgem to ensure licensees are made aware of these issues, so that they can be addressed as soon as possible. We can envisage situations where Ofgem –

with data sets from multiple licensees – are aware of a potential issue that might not be visible to a licensee without this additional data.

- We welcome Ofgem’s letter of 16 January 2015 which confirms that there are no issues with the information that we have provided to date, including our September 2014 trial. However, in Section 5 of the December comfort letter, Ofgem refers to feedback being given between the informal submission at the end of February 2015 and the formal submission at the start of April 2015. Although we support feedback from Ofgem, mindful of the tight timescales and the requirement to subject the NetDAR report to the full DAG process, it is likely that licensees will be severely limited in their ability to update the NetDAR reports before the April submission.
- Moving on to forecast data (Section 4 of the December comfort letter), we note that the requirements for forecast data for ED1 RIGs and ED2 business plans are yet to be specified and as such the inclusion of any forecast submission in the DAG appendices is premature. Any such returns should be removed from the scope of the DAG until there is clarity for DNOs on the forecasting requirements.
- We note that appendix (d) to the DAG (the DNO list of returns) contained incorrect submission dates for the returns and in the case of the transmission companies (appendices (a) and (b)), contained dates which did not exist (for example, 32nd July). We would be grateful for clarity on whether this material error affects the consultation process in any way.
- Finally, we also seek further clarity in terms of the assessment of the impact on benchmarking, as we are unclear whether the impact should be scored relative to our own totex or industry totex. In the case of the former, a DNO with more totex can have a bigger error than a smaller DNO, but the impact across all DNOs and customers will obviously be bigger – which would suggest that the measure should be against industry totex.

I can also confirm that we fully support the ENA response which has been sent in to Ofgem in parallel with this response.

If you have any queries please do not hesitate to contact me in the first instance.

Yours sincerely



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UK Power Networks

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