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Dear Joanna

The regulatory instructions and guidance for the next electricity distribution network operators' price control, RIIO-ED1

Thank you for the opportunity to comment on the development and finalisation of the RIIO-ED1 regulatory instructions and guidance (RIGs). We have invested a considerable amount of time and resources in this to date and will continue to support Ofgem in the finalisation of the reporting requirements.

We have sent detailed feedback to Ofgem on a regular basis but recognise the importance of sharing our key thoughts via the formal consultation process. Our answers to the questions set out in your letter are included in Appendix 1 and we also attach the requested comments on the specific annexes.

Please feel free to contact me if you have any questions.

Yours sincerely



Sarah Walls
Head of Economic Regulation

Appendix 1 – Answers to Consultation Questions

Question 1 - What are your views on the proposed structure? Does the proposed structure appropriately split reporting between different annexes?

Question 2 - What are your views on the information we are asking the DNOs to forecast? (See the F1 – Forecasts worksheet in the Costs and Volumes Reporting Pack.)

We broadly agree and support the proposed structure set out in the consultation. We have been involved with the working group that has discussed the development of the structure and believe that the split between reporting annexes is sensible.

We recommend that Ofgem separates the RIG data tables required under the Environmental Reporting Guidance into a separate Annex. We believe that this would be more practical as it would allow those data tables that are required to be published to be more readily separated, allow for separate DAG risk assessment that would reflect the reporting of counter-factual information (avoiding ‘polluting’ the risk assessment of the main cost and volume pack assessment) and would also allow separate modification of these tables.

We are supportive of the requirement to provide forecast information as part of the annual returns but recommend that the volume and level of detail will need to evolve as the price control develops. It would be reasonable to expect DNOs to provide the proposed high level information in the early RIIO-ED1 years and move to more detailed requirements in the later years.

We also suggest that any forecasts should be required to be provided in a separate pack. This will provide Ofgem with all forecast data in one place and would make it clearer which aspects forecasts are required for. This will also improve clarity of data assurance risks by allow separate DAG risk assessment of this return. As currently proposed, we would be required to consider the risk impact and accuracy of both actual and forecast information in the cost and volume pack in a single assessment.

Question 3 - We and DNOs may publish information contained in the RIGs. What information would you like to see published? What format would you like to see it published in and how often?

Question 4 - We are consulting in parallel on the Environment Report. Most of the data to be included in the Environment Report will be collected in the RIGs. What are your views on this approach? Do you think some or all of the data in the Environment Report should be collected separately?

Electricity North West supports the principle that we should publish appropriate levels of information. We believe that Question 3 is best answered by customers and stakeholders rather than network companies or Ofgem as stakeholders are the key audience for published information. Our customers have expressed a strong desire for Ofgem to collate information from all companies and to produce league tables.

Ofgem should engage with the most appropriate stakeholders and balance the needs between the specialist requirements of single issue groups and those required by customers more generally. We are happy to support Ofgem in this engagement.

We are concerned that there is significant potential for overlapping information requirements to be published in different documents at different points in time. For example, there will be overlaps in data required to be published in the environment report, well justified business plan commitment report and possibly public domain RIGs data. At the present time, there is a significant degree of overlap and potential confusion between the information and data collection requirements in the RIGs and the Environmental report. We urge Ofgem to review

these requirements and consider modifying the obligation on DNOs to provide one source of public domain data. We believe that will significantly help stakeholder navigation of data.

We have separately provided comments to your consultation on the draft RIIO-ED1 Environment Report Guidance Document.

Question 5 - Specific comments on individual tables and their associated guidance and definitions.

We have already provided some detailed comments on RIGs documents to Ofgem through the various routes instructed by Ofgem:.

- All of our comments on Annex B Cost and Volumes have been submitted through the weekly process
- We responded to Annex D on the 20 February
- We provided comments on Annex E via teleconference
- We have provided comments on Annex G under separate cover

Any other comments on the relevant Annexes are included in Appendix 2.