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Dear Jo

**Notice as required under Part C of Standard Condition 46 of the electricity distribution licences held by distribution service providers**

Thank you for the opportunity to respond to the above notice from Anna Rossington, dated 24 April. This response should be regarded 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. For convenience, the three licensees are collectively referred to as "UK Power Networks" in this response. Please note that our response is not confidential and can be published via the Ofgem website.

We have provided our detailed feedback to your consultation in the attached MS Excel file. Most of the points we raise are easy to resolve and implement as part of your finalisation of the files post the close date for this consultation. There are however, a few which we have set out below which warrant drawing to your attention.

In respect of Annex D (Secondary Deliverables) we propose that Ofgem and the DNOs undertake a review of the RIGs post submission of the common framework to ensure that the RIGs are still fit for purpose.

I can confirm that as signalled in the accompanying annex of detailed comments we support the submission made by Explain (who conduct the broad measure survey for DNOs) which outlines a small number of changes to ensure the successful and accurate working of the survey.

Furthermore, there are some points which we look forward to engaging with Ofgem on for their development and further clarification of them for the 2016/17 submission:

High cost infrequent faults – we believe new lines may be needed for faults to enable visibility of cable tunnel and cable bridge related faults. There is a relatively infrequent and not uniform population of such assets across the country, which ultimately distorts benchmarking and efficiency analysis. An analogy would be with submarine cables, which have their own lines in the faults table.

Proactive/reactive – our reading of the new RIGs (and understanding from how Ofgem asked for betterment to be moved into faults for the BPDt) was that where a DNO reacted to something then all the costs of fixing the problem should be reported under a reactive heading e.g. faults, ONIs. Where a DNO was proactively carrying out work and/or had provided a planned notice of supply

interruption to a customer, then should activity should be reported under a proactive heading e.g. asset replacement, ESQCR. We would welcome a discussion with you on our understanding, as the current definitions and guidance would seem to not follow this logic when it comes to Category B defects for meters, which appear to require all such incidents to be recorded under either ONIs or Smart Meter Interventions, irrespective of whether we deal with them proactively or reactively.

Bidoyngs – the new RIGs identify bidoyngs as items included under Small Tools, Equipment, Plant and Machinery (Non-Operational) (STEPM). We are concerned that this may lead to a contradiction in that we attach bidoyngs to the network and leave them in a single location, they are effectively an additional fuse. Our reading of the new guidance would be that they should therefore not be reported under STEPM. We would appreciate a discussion with you on this issue.

CV17 Rising & Lateral Mains – unit of measure – number of risers vs. km. The length of cable is buried within the fabric of the building and therefore calculating the length of cable is not possible. Please revert unit of measure to number of risers to ensure a sensible count can be calculated on a consistent basis by all DNOs

Price base for forecasting in ED1 – we notice in the latest issue of the RIGs that the actuals will be reported in nominal prices but the forecast years will be in 2012/13 prices. This could quickly start to show significant differences on a profile basis and will also undermine anything we publish externally to our stakeholders or values we reflect in supporting narrative. It would be better that we report the forecast for each year in the prices of the day and agree a consistent RPI conversion factor that Ofgem can use to convert forecasts back into 2012/13 prices. It would be sensible to use an RPI forecast factor that is already part of the licence framework.

Please also note we have raised additional points within annex G Connections with regard to

- CR2 Metered In Year
- CR5 Metered Connections Completed including DG
- CR6 Unmetered Conns Completed
- CR10 ICP Part Funded Connections

Finally, it is also worth noting that for Annex J (Environment and Innovation) we believe that DNOs and therefore ultimately Ofgem would benefit a workshop to discuss the complex template to ensure its accurate and consistent completion. We acknowledge that this may result in a modification to the RIGs but believe this is the best way forward at this stage to ensure consistent and accurate reporting.

We look forward to hearing from you on these points and the detailed feedback in the separate MS Excel file which accompanies this response. If you have any queries please do not hesitate to contact Paul Measday or myself.

Yours sincerely



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