

Appendix 2- FEEDBACK QUESTIONNAIRE

Thank you for taking the time to respond to our questions

We hope all the questions are understandable, If you have any difficulties please email [REDACTED]

Once the questionnaire has been completed, please send it back to us using the email address above. Please return the completed questionnaire by 4 August 2015.

Section 1 - About you	
Question	Response
What is your name	[REDACTED]
What is your job title	Regulatory & Government Affairs Manager
What is your contact detail	[REDACTED] and cc [REDACTED] and [REDACTED] and [REDACTED]
What is your company name	Western Power Distribution
What is the name of your group (applicable only if you are representing a user group)	

Section 2 – RIIO Accounts	
Questions	Response
1. Do you have any comments on the withdrawal of the current regulatory accounts as specified in standard special licence conditions A30 on Regulatory accounts for Gas Distribution and Transmission, standard condition B1 on Regulatory accounts for Electricity Transmission and standard condition 44 on Regulatory accounts for Electricity Distribution?	We support the withdrawal of the current regulatory accounts.
2. Do you agree with the use of RFRS principles as a basis for the preparation of RIIO accounts? If not, please give further information why.	Yes.
3. Do you agree that the new framework for reporting on	Yes.

<p>Network's financial position and performance would be more beneficial to users and stake holders? If you don't please explain.</p>	
<p>4. Do you have any comments on the principles stated in the statement of regulatory corporate governance contained in Appendix 1 of this letter and do you support the development of such principles?</p>	<p>We support the development of these principles.</p>
<p>5. Do you have any comments on the proposed time line in Appendix 3?</p>	<p>For clarity, we understand that "Q1 2015/16" means March 2016, with a licence modification effective from 1 April 2016. We note from other comments Ofgem has made that implementation in April 2016 will then be for first-time reporting for regulatory financial year end March 2017 (FY 2016/2017). We understand that the 2015/16 regulatory accounts will be prepared in accordance with the current requirements.</p> <p>It would be helpful if Ofgem could provide clarification on the timeline for implementation and reporting.</p>
<p>6. Do you have any comments on our proposal to develop an audit opinion that provides assurance on the proposed RIIO accounts on a 'fairly presents' basis?</p>	<p>The development of an 'Agreed Upon Procedure' audit review is appropriate.</p> <p>However timing may be an issue.</p> <p>(i) Outputs from the PCFM should be clearly traceable from information published on Ofgem's website as part of the Annual Iteration Process. This will give opening RAV for the regulatory year being reported. If RAV additions for the regulatory year are to be included then it is unclear how the auditors will be able to provide assurance on this in the timescale without it being significantly more burdensome.</p> <p>(ii) This may also be the case for some of the incentives earned (rather than received) during the period, for which</p>

	<p>the calculations may not have been finalised (for example IIS exceptional events that have a determination timescale of 6 months after the year end data submission) and some estimation may be necessary.</p> <p>(ii) In addition, if the intention is to include MOD/TRU adjustments in the year to which they relate (as opposed to the year they are recovered through allowed revenue), then certain of these may not be finalised until well after the regulatory year end and beyond 31 July deadline for RRP (if that is to be maintained).</p> <p>Therefore we suggest that estimates are used to maintain the July deadline and are then corrected the following year.</p>
<p>7. What are your expectations on how NWO boards should report on their governance (comments from investors are particularly welcome)?</p>	<p>A governance report should be included in the RIIO accounts submission and should be approved by the NOW Board.</p> <p>Consideration should be given to having standard headings to aid comparison between NWOs.</p>
<p>8. Please use this section to let us know of any other thoughts you might have on the introduction of RIIO accounts.</p>	<p>We welcome the introduction of RIIO accounts and are keen to see more details of the PCFM support module and the proposed sources/calculations behind the detailed draft financial statements so we can provide constructive feedback on this. We support the concept of primary financial statements and believe that the following content is key for the RIIO accounts:</p> <ol style="list-style-type: none"> 1) RAV 2) Base revenue 3) RORE 4) Incentive performance data. 5) A high level reconciliation to the statutory accounts