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Dear Grant,

**Re: RIIO-ED1 Stakeholder Engagement and Consumer Vulnerability Incentive Guidance – informal consultation**

On behalf of Electricity North West Limited, I would like to thank you for the opportunity to respond to the above open letter. Our thoughts on the latest drafting are provided below.

**Defined terms:**

**‘Business as usual’** – at the workshop hosted by Ofgem on 14 January, we discussed whether a definition of Business as Usual should be included within the Guidance. We note the amendments to para 1.2, “beyond ‘business as usual’ standards (ie beyond the requirements of the licence conditions)”. However, this is not a defined term within the Glossary. We believe it would be beneficial if Ofgem provided a clear definition of this term within the Guidance. This would assist interested parties and the Expert Panel in being able to create meaningful cross-DNO comparisons, as well as providing greater clarity to the Distribution Network Operators (DNOs) in developing their submissions.

**Vulnerable Customers** – We welcome the inclusion of the reference to Ofgem’s vulnerability strategy as means of defining this term.

**Other drafting comments**

Chapter 3 – Whilst we appreciate the amends made by Ofgem to align Chapter 4 with Chapter 3, we suggest that it would assist the reader if the Part 2 submission referred to the assessment against the Consumer Vulnerability Criteria and the Part 3 submission to the assessment against the Panel Assessment Criteria as this would allow both Chapters 3 and 4 to flow in the chronological order that the assessments will be undertaken.

Paragraph 4.4 – As DNOs will no longer provide supporting evidence, the second sentence in this paragraph needs to be revised. We suggest “*The Internal Team will consider all information provided in the entry form when carrying out its assessment. It will confirm whether each network company has provided evidence that it meets the Minimum Requirements.*” If it is possible for Ofgem to provide more information here on exactly how this is undertaken then this will assist in providing transparency regarding the assessment process for both DNOs and other interested parties.

Paragraph 4.16 – We note that Ofgem is intending that the DNOs fund the Consultants' work. We suggest that this sentence should be amended to say "(appointed by Ofgem in advance, but funded by the network companies on the basis of number of licences held)". This will ensure costs are proportionately allocated by Distribution Services Group, rather than just being split by company.

Paragraph 4.21 – In the table that follows para 4.21, the scoring appears to have been a bit muddled up as there is no ability to score between 5 and 6 now. We suggest Fair should be amended to 5-6, and Good to 7-8 to correct this.

Paragraph 5.1 – We appreciate Ofgem's preference to limit the size of submissions and therefore to not include supporting evidence. However, as part of previous submissions, we have worked with the other DNOs, via the Energy Networks Association, to agree a common appendix setting out collaborative stakeholder engagement work that the DNOs have undertaken together. We believe this is valuable to Ofgem, the Expert Panel and other interested parties and think this value may be diluted if left to the discretion of parties as to whether to include such initiatives and how these are articulated. To that end, we suggest there may be merit in permitting the continued inclusion of this appendix.

Paragraphs 5.8 & 5.9 – We appreciate the inclusion in these paragraphs of dates by which Ofgem will notify the DNOs about key steps in the process. We ask, wherever possible, these dates are used as the latest dates that this information will be communicated and wherever possible, more notice than that required under the Guidance will be provided.

We welcome the further development of Chapter 6 and think this adds appropriate clarity regarding the calculation of the reward that a licensee has achieved against the SE<sub>i</sub> term.

I hope this response is of assistance. If you wish to discuss any of the points raised, please feel free to contact me (details provided above).

Yours sincerely

**Jen Carter**  
**Regulation Manager**