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Our ref                      Your ref  
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Date  
18 February 2016

Dear Grant

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

I am writing on behalf of Western Power Distribution (South Wales) plc, Western Power Distribution (South West) plc, Western Power Distribution (East Midlands) plc and Western Power Distribution (West Midlands) plc.

Thank you for the opportunity to provide further feedback on Ofgem's Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive Guidance.

Western Power Distribution (WPD) welcomes the clarity provided in the guidance document. We can see no issues with them being implemented as final, subject to the specific comments set out below.

#### **Application process**

WPD welcome the requirement for DNOs to submit a third submission, focussed explicitly on performance relating to Consumer Vulnerability. We are pleased with the intention to allow 10 pages for this new submission, as the trial assessment undertaken in Autumn 2015 revealed that a lower page count would not be workable.

#### **Consultant assessment against the Consumer Vulnerability Criteria**

WPD approve of the proposed approach, but feel it is extremely important that the consultants selected and the individuals who conduct the face-to-face assessment visits to DNOs, include someone with direct expertise in relation to consumer vulnerability / social obligations. This is necessary to enable them to understand in detail, and critically evaluate the value of, DNO initiatives. Without this expertise there is a risk that the visit will only perform an audit function to check the factual accuracy of what has been submitted.

It is vital that the consultant assessment provides an informed, justified view of what constitutes best practice from the various DNO initiatives reviewed. Our experience from the trial assessment also revealed the importance of the consultants focusing on the outputs DNO's have delivered for their customers and to assess the value of these outputs, rather than just a narration of the activities undertaken.

**Format of application**

WPD welcome the fact that Ofgem have specified that DNOs that include activities funded by other incentive mechanisms (e.g. Low Carbon Network Fund/Network Innovation Competition/Network Innovation Allowance), must provide clear explanation of the relevance to this incentive. However, we feel it is important that where these projects are included within DNO submissions, Ofgem reviews these to ensure that sufficient explanation for their inclusion has been provided. Where this isn't the case, we would expect Ofgem to explicitly inform the Panel that they cannot consider those sections as part of their assessment.

**Timescales for reporting**

WPD are happy with the intention to bring forward the submission deadline to the final Friday in April (previously final Friday in May), the year following the Regulatory year in question.

**Ofgem confirmation of arrangements**

In addition to the dates Ofgem have confirmed for when they will announce the date for site visits and the Panel session, it would be helpful to DNOs if Ofgem could also provide an approximate timetable for when these stages will take place (e.g. "early June" and "late July").

If there are any aspects of this letter that you would like to discuss further then please contact Alex Wilkes at [awilkes@westernpower.co.uk](mailto:awilkes@westernpower.co.uk) or on 01332 827647.

Yours sincerely,



ALISON SLEIGHTHOLM  
Regulatory & Government Affairs Manager