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Dear Grant,

Results of the consultation on the proposed changes to the Common Network Asset Indices Methodology as submitted to Ofgem

Following the submission of the Common Network Asset Indices Methodology V1 to Ofgem on 27 July 2016, we were required to undertake a consultation process on the proposed modifications in accordance with the requirements of Licence Condition SLC 51 Part I. I'm writing to you on behalf of all the licencees to which the Licence Condition applies with the results of the consultation and our recommendation as a result of that exercise.

We carried out the required consultation over the four week period of 26 August to 23 September 2016 by posting the revised methodology and an associated document explaining the changes and asking for comments on the Energy Networks Association website. We also provided an address for non-electronic responses. Ofgem also provided a link to the consultation on their website.

As a result of this exercise we have not received any responses.

The changes to the CNAIM are a combination of clarifications and minor error corrections found during the implementation stage and software development of the models. A total of 22 changes have been made to the Draft V4 Methodology document which was the subject of Ofgem's Direction of 1 February 2016, including those mandated by the Direction.

The 27 July 2016 issue of the Common Network Asset Indices Methodology therefore represents a methodology that is now complete and that can be applied to our respective asset bases.

Due to no objections being received to the proposed changes, we collectively recommend that Ofgem accept the 27 July 2016 V1 version of the Methodology as definitive and current for the purposes of SLC51.

For clarity, attached to this letter are:

1. A copy of the Common Network Asset Indices Methodology V1
2. The consultation document which details the changes made from draft V4 other than those in the February 2016 Direction.

Assuming that you do direct the adoption of the revised Methodology, the DNOs intend to continue to work to the timescales in the original Direction letter and submit both the RIIO-ED1 Network Assets Workbook re-statement and the 2015-16 RIGs Annex D return by 30 December 2016. In the event that Ofgem do not direct the adoption of the revised methodology, then we will need to urgently discuss the potential impact on the timing of these deliverables.

We look forward to your confirmation of the above proposal.

Yours sincerely

Jonathan Booth
Head of Asset Management