

Min Zhu
Associate Partner Networks Analysis
Ofgem
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21 November 2016

Dear Min

Consultation under Part E of SLC 51 of the Electricity Distribution Licence on our minded-to decision to approve Information Gathering Plans submitted by Distribution Network Operators

Thank you for the opportunity to comment on the above consultation. This letter should be treated 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.

We support Ofgem's minded to position to approve the IGPs. We believe that the Common Network Asset Indices Methodology (CNAIM) is a detailed and comprehensive specification representing a significant achievement given the timescales of both its development and delivery. The CNAIM has resulted in the production of the IGPs which provide an unprecedented level of transparency into the collation and assurance of DNO asset management data.

We are happy to publish information such as is contained in the IGP to ensure that there is confidence that UK Power Networks discharges its asset management responsibilities in a professional manner.

The responsibility for data quality rests clearly with the licence holders under the Data Assurance Guidelines. The IGPs are the only instance where Ofgem has sought to consult on and approve a statement of the underlying data processes behind regulatory submissions. We believed that the intent of the IGPs was to set out where a licensee needed to collect additional data to implement the revised framework.

We are concerned that regulatory approval of asset management processes, including inspection and maintenance intervals etc., as included in the IGPs, could be seen to limit licensees' ability to amend processes or innovate. Innovation is at the heart of incentive regulation and the RIIO framework, and we do not believe that it is Ofgem's intent to limit it, but we ask that Ofgem considers the implications of consultations and approval of documentations of this detailed nature.

I hope that you will find our comments helpful. If you have any questions, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "James" followed by a stylized flourish.

James Hope
Head of Regulation & Regulatory Finance
UK Power Networks

Copy: Robert Friel, Regulatory Strategy & Optimisation Manager, UK Power Networks
Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks
Kiran Turner, Ofgem