

Mick Watson  
Ofgem  
9 Millbank  
London  
SW1P 3GE

15 June 2017

Dear Mick

**Notice of statutory consultation on a proposal to modify the ED1 Price Control Financial Handbook**

Thank you for the opportunity to comment on draft changes to the above document. 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 have reviewed the modifications and have attached as an appendix, our comments. Please also note that we support the ENA submission on this consultation.

If any part of our response requires further explanation or clarification, please do not hesitate to contact me.

Yours sincerely



James Hope  
Head of Regulation & Regulatory Finance  
UK Power Networks

Copy: Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks



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## Appendix

- Schedule 2
  - It is unclear which licence modification Ofgem are referring to with the single asterisk
- Appendix 1
  - In numerous places in the response, the term “box below” is used – these should be replaced with cross references to specific tables – this consequentially means that the un-numbered tables need naming and numbering in line with the rest of the PCFH
  - 3.4 needs a caveat of “subject to CRCs”
  - 3.5 would be better framed to state that Ofgem have written this document and will conduct this review in line with the principles
  - 3.19 would be better introduced with a caveat that this and 3.20 only apply to licensees subject to RIIO-ED1
  - 3.19 sub bullets need renumbering as they start with (d)
  - 3.24 should have the words “For the avoidance of doubt” removed as they are superfluous. This also applies to 3.38 where it occurs twice
  - 3.29 should specify which of the “following paragraphs” are being referred to
  - 3.31 definition of DR – the cross reference to Principle 4 needs checking
  - 3.33 ends with a rogue “and”
  - 3.37 uses the wording “do not unduly lose out” which infers that it is ok for customers or companies to lose out to some extent
  - 3.45 makes reference to Ofgem changing the RIGs in respect of a pension contribution holiday – should a date be added to when this will be done by?
  - 3.47 sub bullets need renumbering as they start with (c)
  - 3.54 infers that the Authority can through this process allow harm to the licensee – we believe that “impact” would be a better term