

Grant McEachran
RIIO Electricity Distribution
Ofgem
3rd Floor, Cornerstone
West Regent Street
GLASGOW
G2 2BA

11 August 2017

By electronic copy to RIIO.ED1@ofgem.gov.uk

Dear Grant

Re: DPCR5 Close out: Consultation on proposed adjustments

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.

Our vision is to deliver what customers want and need in the most efficient way, ensuring customers continue to receive a reliable, safe power supply at the least cost.

Over the DPCR5 period we improved Customer Interruptions and Customer Minutes Lost by 38% and 56% respectively, improved our customer service score by more than 10% since the Broad Measure was introduced and reduced Lost Time Incidents from 52 to 11 per year all whilst having the lowest average DUoS bill (£71 per customer) of all the DNO groups.

Over the last two years we have worked with Ofgem, stakeholders and the other DNOs to develop the mechanisms used to settle the elements of the DPCR5 price control subject to the close out process. Having reviewed in detail your proposed adjustments we find that they have been applied appropriately to reflect our performance over the price control period.

In particular we note that Ofgem have concluded that all DNOs have delivered a package of network outputs equivalent to what they committed to deliver at the start of the price control resulting in no adjustments being made in this respect.



WINNER
Utility of the Year



**INVESTORS
IN PEOPLE**

Gold

Return Address:
Newington House
237 Southwark Bridge Road
London
SE1 6NP

We have responded to external changes in our operating environment to ensure these outputs were delivered in the most efficient way given the uncertainty some of our activities were subject to. Where external requirements changed, we took account of this in the delivery of our plans and delivered solutions that reflected the needs of our customers. Where this has led to changes in the scope of projects or significantly lower expenditure than originally anticipated, we agree that the mechanisms have been applied correctly and lead to adjustments that ensure these savings are returned to customers.

We remain committed to our strategy of delivering all outputs at the lowest cost to customers and look forward to developing the mechanisms that will support a similarly effective closeout of the RII0-ED1 period.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Hope', with a stylized flourish at the end.

James Hope
Head of Regulation and Regulatory Finance
UK Power Networks

Copy Ross Thompson, Regulatory Performance Manager, UK Power Networks
Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks