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James Norman
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Our ref

Your ref

Date

10 October 2017

Dear James

Hinkley-Seabank – Consultation on Final Needs Case and potential delivery models

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.

We support the response provided by the Electricity Networks Association which addresses most of the issues raised in the consultation including the delivery models proposed by Ofgem.

However as WPD is directly involved in the Hinkley Seabank project we have some more specific comments to make.

WPD will continue to work closely with NGET to deliver this project. As Ofgem has recognised, WPD has no funding allowances for the costs associated with this project, and has an agreement with NGET who are funding the project to carry out certain works on its distribution network to facilitate NGET's works. These include undergrounding of our network at 400kV crossing locations, telecoms asset diversions, Churchill 132kV circuit re-arrangements, the turn in of existing 132kV circuits to the new Sandford GSP, 132kV cable undergrounding, dismantlement of the existing 132kV double circuit route, and replacement of overstressed switchgear.

Separate from WPD's planned works, NGET are currently planning to build some significant standalone 132kV distribution business assets where it is efficient to do so. This includes long cable overlays across the same land as transmission assets, and the distribution part of the new Grid Supply Point at Sandford. These 132kV assets are due to be adopted by WPD on commissioning. From a delivery point of view, these items of works are easy and sensible to separate from WPD operational network for delivery. We are working closely with NGET on the detailed design and approval of these works to ensure that they meet the required specification to be adopted as part of our network. We also have various legal agreements in place with NGET including framework agreements, adoption agreements, and consents which would need to be reviewed if the delivery model is to be changed.

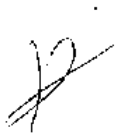
Once commissioned they will form an integral part of WPD's South West distribution network, which WPD will need to have full operational control over and responsibility for in terms of network reliability and system security.

We are concerned that the consultation states that the remit of the SPV would be to "finance, construct and operate". How would this apply to WPD adoptable assets where the operation and maintenance of the assets would be by WPD?

WPD wish to ensure that any delivery model for this project continues to enable us to input into the design and approval of the delivery of distribution assets within the project, and to adopt the distribution assets for operational control and ongoing maintenance. Specifically WPD would wish to be involved in discussions around the design the scope and structure of any SPV.

If you would like to discuss these matters further please do not hesitate to contact Tony Berndes at tberndes@westernpower.co.uk

Yours sincerely



ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager