

Louise Deighan  
Ofgem  
Commonwealth House  
3rd Floor  
32 Albion Street  
Glasgow  
G1 1LH

**Electricity North West**  
304 Bridgewater Place, Birchwood Park  
Warrington, Cheshire WA3 6XG

Telephone: +44(0) 843 311 4800  
Fax: +44(0) 843 311 5119  
Web: [www.enwl.co.uk](http://www.enwl.co.uk)

Direct Line: 07879 115204  
Email: [paul.auckland@enwl.co.uk](mailto:paul.auckland@enwl.co.uk)

19 March 2018

Dear Louise

### **Proposal to make modifications to the Regulatory Instructions and Guidance**

Thank you for the opportunity to respond to proposed modifications to the Electricity Distribution Regulatory Instructions and Guidance (RIGs).

We have been fully involved in the various working groups and have provided our input and views throughout this process. As a result of the positive engagement during the working group process we have limited comments on this consultation.

Taking each element in turn, we provide our comments as below, and are commenting by exception only.

#### **Annex A - Glossary**

**Smart Meter Communication Licensee Costs** has a number of items where capital letter has been replaced by lower case. For the word gateway, this looks to have been removed in error during the mark-up process.

#### **Smart Meter Interventions – Category A Intervention**

#### **Smart Meter Interventions – Category B Intervention**

#### **Smart Meter Interventions – Category C Intervention**

For all of these defined terms, we would suggest that the individual list of the codes and their descriptions are removed. These are changed by MOCOPA with reasonable frequency at present as new learning emerges from the Smart Meter rollout process. Keeping them listed out in the Annex risks inconsistency arising between the Regulatory Guidance document and the MOCOPA guidance document. We feel that as long as reference is made to the most current MOCOPA guidance document that will be sufficient.

#### **Annex B – Cost and Volumes**

F6 Tax Clawback table should be removed from Contents list.

**Section 7.127** Last sentence should read "The DNO must copy the formula **and formats** in column R into the row **column** that corresponds to the year under report".

There are a small number of proposed amendments to the Cost and Volumes reporting tables which are listed in excel form as Appendix 1 to this letter.

#### **Annex G - Connections**

There are a number of proposed amendments to Annex G which are shown in Appendix 2 in excel workbook form for ease.

There are also a number of proposed amendments to the Connections Reporting Pack which are shown in Appendix 3.

## **Annex J – Environment and Innovation**

Paragraph 4.11 has been amended as below:

“Only solutions that meet the definition of Innovative Solution may be included in this worksheet. The information about the solutions should only include enablers that are used specifically for each solution. Wider, general enablers (eg smart meter IT systems, other IT system upgrades) should not be included. Each solution should be supported either by a completed RIIO-ED1 CBA, or, where the DNO is unable to use the RIIO-ED1 CBA Tool, an appropriate alternative tool or methodology to derive the Estimated Gross Avoided cost and impacts (as listed in paragraph 4.12). Where an alternative tool or methodology is used to produce the relevant figures for this worksheet, DNOs should justify this in the commentary and provide a detailed explanation of the tool or methodology used.”

We believe the intent was to provide DNO with flexibility to provide either the CBA or an alternative tool or methodology. The current drafting below only allows an alternative if the DNO is unable to use the CBA which we do not believe was the original intent of the change.

We would propose the following drafting as an alternative:

“Only solutions that meet the definition of Innovative Solution may be included in this worksheet. The information about the solutions should only include enablers that are used specifically for each solution. Wider, general enablers (eg smart meter IT systems, other IT system upgrades) should not be included. Each solution should be supported either by a completed RIIO-ED1 CBA, or, ~~where the DNO is unable to use the RIIO-ED1 CBA Tool,~~ an appropriate alternative tool or methodology to derive the Estimated Gross Avoided cost and impacts (as listed in paragraph 4.12). Where an alternative tool or methodology is used to produce the relevant figures for this worksheet, DNOs should justify this in the commentary and provide a detailed explanation of the tool or methodology used.”

### **RIIO-ED1 Strategic Commentary: Strategic Performance Overview and Costs and Volumes Commentary**

#### **Section 2b (Safety within Outputs and incentive performance)**

Current drafting is:

“At a minimum, DNOs should report on safety performance using any safety measure they believe appropriate, although it should be guided by the views of the Energy Network Association (ENA).”

The ENA represent the views of the networks and therefore will not independently hold or provide views on such elements as safety metrics. We would therefore propose that the last part of this sentence is removed, with revised drafting as below:

“DNOs should report on safety performance using any commentary and relevant safety measure they believe appropriate.”

I hope these comments are helpful. Please do not hesitate to contact me if you would like to follow up on any particular aspect of our response.

Yours sincerely



**Paul Auckland**  
**Head of Economic Regulation**

Encs