

**Doc Type:**

**Response to RIIO-2 Framework Consultation**

**From:**

Anonymous1

**From:** [mailto: ]

**Sent:** 08 March 2018 09:26

**To:** RIIO2 <RIIO2@ofgem.gov.uk>

**Subject:** RIIO-2 framework consultation

Hi James,

The email link is currently [riio2@ofgem.gov.uk](mailto:riio2@ofgem.gov.uk) on this page -

<https://www.ofgem.gov.uk/publications-and-updates/riio-2-framework-consultation>

My response:

The network cost has decreased, service levels have improved.

Yet you want to drastically reduce the allowed returns of network businesses to unfair levels.

I was under the impression you are going through a consultation but your material already says “The next energy network price controls from 2021 (RIIO2) will be tougher on network companies.”

The network businesses should be allowed a reasonable return, particularly if you want them to continuing investing in the network.

The repercussions of reducing allowed returns to unfair levels will be significant and negative for the long term health of the networks and consumers. Shifting the balance on a whim will also have a negative impact on the willingness of businesses to invest in other areas – particularly generation – there will be a complete lack of trust that investors will be allowed a reasonable return or that return levels will be unfairly and drastically reduced.

Going from eight years to five years also reduces the level of certainty for the network businesses.

It seems wholly unfair on investors who had a reasonable expectation the playing field would remain level/Ofgem would remain balanced.

Ofgem’s mandate is not to transfer wealth from investors who have been led to believe they will get a reasonable return to consumers. The increasing politicisation and lack of balance from Ofgem is concerning.

I would encourage Ofgem to continue to allow the network businesses to earn a reasonable return – which is the basis upon which they have made their original and ongoing investments.

ENDS.