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Our ref

Your ref

Date

28 March 2019

Dear Mohamed

Electricity Time to Connect Incentive Targets consultation for Regulatory Years 2019/20, 2020/21, 2021/22 and 2022/23

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 with regard to the above consultation.

Question 1: Do you agree with the methodology we propose to use to set the new targets? Yes, we agree that the old method is not appropriate.

Question 2: Do you agree that it is beneficial to maintain a good range between the minimum and maximum reward scores to ensure the incentive is effective? Yes.

Question 3: Do you agree with our minded-to position in setting these targets? Yes, we agree that Ofgem needs to strike a balance between making the targets tougher but still retaining the incentive properties.

In addition we would like to flag that although the minimum targets are set in the licence, the maximum target is achieved via the daily incentive rates. These will need to be calculated to sufficient decimal places to ensure that the correct maximum target is achieved for every DNO.

Yours sincerely



PAUL BRANSTON
Regulatory & Government Affairs Manager