

Western Power Distribution
Avonbank
Feeder Road
Bristol
BS2 0TB

0117 933 2203
pbranston@westernpower.co.uk

RIIO-ED Team
The Office of Gas and Electricity Markets
10 South Colonnade
Canary Wharf
London
E14 4PU

14th February 2020

By e-mail

Dear Sir / Madam,

Statutory consultation on proposed modifications to Charge Restriction Condition 3F.25 of the electricity distribution licences held by Western Power Distribution Plc and to paragraph 7.37 of the ED1 Price Control Financial Handbook (fast-track licensees)

This correspondence has been written 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..

WPD agree with the proposed modifications to Charge Restriction Condition 3F.25 of the electricity distribution licences held by Western Power Distribution Plc and to paragraph 7.37 of the ED1 Price Control Financial Handbook (fast-track licensees).

WPD fully support the intent of the proposed modifications to align the provisions relating to Specified Street Work Costs (SSWC) in the ED1 fast-track licences and the ED1 fast-track Price Control Financial Handbook to the ED1 slow-track licences and the ED1 slow-track Price Control Financial Handbook respectively, in order to support Ofgem's assessment of the ED1 logging-up mechanism on a consistent basis across all licensees.

WPD also recommend that paragraph 7.35 of the slow-track Price Control Financial Handbook be added to the fast-track Financial Handbook in order to further align the two documents with respect to SSWC.

Finally, whilst Ofgem set out that "*lane rental costs were erroneously omitted from the definition of SSWC in WPD's licences and in the Fast-Track Handbook*", it is WPD's understanding that Ofgem had, in accepting our ED1 business plan, already recognised the inclusion of lane rental costs within the totality of specified street work activities that the WPD licensees carry out. WPD's ED1 business plan made explicit that lane rental costs would be considered as part of the ED1 Uncertainty Mechanism and therefore our May 2019 Street Works Re-opener submission could include lane rental costs, even if such costs were not specifically named in the definition of SSWC.

Please do not hesitate to get in touch should you require any further information.

Yours faithfully,



Paul Branston

Regulatory and Government Affairs Manager
Western Power Distribution