

Joanna Campbell  
Ofgem  
9 Millbank  
London  
SW1P 3GE

25 February 2015

Dear Ms Campbell,

### **Consultations on RIGS and Environment Report Guidance for RIIO-ED1**

This response was prepared by the energy team within Citizens Advice. It has statutory responsibilities to represent the interests of energy consumers in Great Britain. Our response is not confidential and may be published in full on your website.

We welcome the chance to respond to both these consultations on reporting under ED1. Clear and effective reporting by networks of all sectors is vital to the improved transparency, accountability and engagement that are meant to be part of the RIIO model. Better reporting is needed both to give consumers confidence that the regulatory settlement is delivering value for money, and to open up the ongoing conversation around network regulation to a broad range of stakeholders such as ourselves. Citizens Advice is currently examining the state of network reporting and what needs to improve, and we have already engaged with Ofgem over our initial ideas. We hope to be part of a working group on these issues in the near future.

We strongly support the recent recommendation by the House of Commons Energy and Climate Change Committee that Ofgem should develop a timetable to phase in standard, comparable reporting to a template across different networks.

What is most important from these and future consultations on reporting is that we reach an effective integrated system for reporting. We welcome the consideration of future publication and dissemination of the data collected under the RIGs in question 3 of the RIGs consultation. The details of the RIGs and the Environment Report Guidance are essential, but the former is a matter between Ofgem and the regulated companies, while the latter will only be meaningful as part of a well-presented and coordinated reporting regime. To work towards this, we would like to see reporting on three levels:

1. A simple, concise template for the reporting against Business Plan commitments which will be required under the new distribution licence conditions consulted on last year. (We would welcome a consultation on this reporting in the near future once the current consultations have closed.) A template should make these reports brief and

comparable and ensure they give comprehensive information about financial performance and performance against incentives.

2. Improved reporting by Ofgem itself, with a reintroduction of the Annual Report on electricity distribution that was published until 2011.
3. Rules on transparency ensuring that full details of networks' performance is available on their websites, and is easy to find.

These are our initial proposals, which we would be happy to discuss further. As a guideline, we have identified five attributes as principles that all reporting should live up to: findable, simple, comparable, timely and non-whitewash. Once again, we would be happy to elaborate on these further in a future consultation on Business Plan reporting.

Question 3 of the consultation on the environmental report and question 4 of the consultation on RIGs relate to the possibility of overlap and cross-referencing between reports. The risk of this approach is that the resulting network of linked reports becomes very hard to navigate. Consideration has to be given not only to whether information is available in the sense of existing somewhere in the public domain, but also whether it is being presented with actual clarity to stakeholders and the public – hence the principle of 'findable' in the above list. On this principle, a single clear report that can be placed prominently on a company's website that contains all the necessary information would be preferable to series of cross-referenced ones.

Reporting should be tailored to the stakeholders it is supposed to reach and the impact it is supposed to have. In some cases, this might mean that it was sufficient to publish raw data online, so long as it could be accessed by interested parties. But in the case of the environment report, Ofgem's final determination on ED1 made it clear that parts of this were meant to act as a 'reputational incentive', especially on the Business Carbon Footprint. For this to be effective it is essential that the report is laid out clearly and disseminated in a way that carries real reputational weight. We would recommend also including any such reputational drivers in the reporting on business plan commitments, for maximum coverage.

Please do not hesitate to contact me if you would like to discuss this submission further.

Yours sincerely,

**Conrad Steel**

Policy Manager – Energy Regulation

Conrad.steel@citizensadvice.org.uk  
03000 231447