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Dear Anna

Open letter consultation: how we report on electricity distribution company performance

Thank you for the opportunity to contribute to the discussions on the future reporting of network company performance. We are supportive of improved reporting of company performance and have committed ourselves to ongoing discussions with our stakeholders throughout the RIIO-ED1 period.

As an industry, we provide a significant amount of information to customers, regulators and stakeholders through various different mechanisms. The DNOs have recently committed to numerous public reporting mechanisms under RIIO-ED1 including RIIO /Regulatory Accounts, Environmental reporting, business plan commitment reporting under the ED1 licence and CDCM/EDCM models. All of these are based on Ofgem reporting requirements which we comply with on an annual basis. We are committed to public reporting and we believe that it can be improved by focusing on the needs of the target audiences and removing overlapping information. This information is produced for specific stakeholder requirements and it is important to recognise that it may not be accessible or useful to meet the average customer's requirements.

This consultation represents a timely opportunity for a review of the information provision to improve transparency and usability whilst reducing the cost of reporting to customers. The key objectives of this consultation should be to ensure that the publication best meets the needs of those specific groups, whilst also recognising the need to balance the different needs of customer and stakeholder groups as well as the need to avoid placing an undue reporting burden on DNOs. It is important to state at this point that this should not be the DNOs' or Ofgem's view of customer requirements, but we recognise that we have an obligation to explain the benefits and drawbacks to specific reporting approaches.

Our shareholders, who represent long term, global institutional investors are fully engaged and supportive of the comments noted in annex 1. The discussions have highlighted that the key requirements of the financial community of stakeholders are the ease of comparability of performance reporting and independent verification of performance and this is the key role for Ofgem to play in publishing an annual compiled performance report.

We have provided answers to the questions in annex 1 where we feel it is appropriate for us to comment but believe that customers and any appropriate representative groups are best placed to discuss their requirements.

If you have any questions, please do not hesitate to contact me.

Paul Bircham
Networks Strategy & Technical Services Director

Annex 6 - Response Template

Name	Bryan Heap
Title	Regulatory Contract Manager
Organisation	Electricity North West Limited

Question	Response
<i>Q1: Do you have any comments on the scope and purpose of this consultation?</i>	We agree that this consultation should focus on the requirements of customers and stakeholders. Agreeing the target audience(s) for the publication is important as this will ensure that the information contained in the reports are appropriate and fit for purpose.
<i>Q2: What do you think about the information we suggest including in an infographic-style report included in Table 1?</i>	This question is for the relevant stakeholder groups to answer. One point of note is that Table 1 uses a traffic lighting system. Ofgem will need to be clear on the use of this system to report absolute or relative performance and how those metrics will be assessed. We also note that tables 1 and 2 do not appear to be linked at this point. If they are aimed at different stakeholders then this may be appropriate but if Table 2 is supposed to represent an expansion of Table 1, Ofgem must be careful that they do not report performance inconsistently.
<i>Q3: Are there any other metrics you would wish to see included in an infographic-style report and why? You will find more information on data collected in the RIGs on our website.</i>	We think that this question is for the relevant stakeholder groups to answer. It is worth noting that there is an abundance of data contained within the RIGs which may not be appropriate for a key information report. It is important to maintain a view of the target audience (and their information requirements) to ensure we deliver a successful skeleton report.
<i>Q4: Do you have any comments on the sample infographic-style report included in Annex 1 and the suggested content for an infographic-style report included in Annex 2?</i>	We think that this question is for the relevant stakeholder groups to answer. Our only comment on Annex 1 is written as a company report but includes relative positions against other networks which lends itself to an Ofgem publication.
<i>Q5: Should an infographic provide information at DNO or DNO group level?</i>	We think that this question is for the relevant stakeholder groups to answer. As a single DNO, this does not have any implications for our reports.
<i>Q6: Are there any metrics included in Table 2 which you do not think are</i>	Stakeholder groups will need to identify if there are any areas which are not

<p><i>relevant or important? Why?</i></p>	<p>important to them. Again, the mid level report will need to be targeted for specific stakeholder groups and it will be important to retain this focus in the development of the report. We note that the report contains financial information on RoRE and RAV values which will be determined at specific points in the reporting calendar. It will be important to ensure that any information remains consistent with other publications/reported values to avoid confusion.</p>
<p><i>Q7: Are there any other metrics not included in Table 2 which you would also like to see reported in a mid-level report? Why? You can find more information on data collected in the RIGs on our website.</i></p>	<p>Whilst we think that this question is for the relevant stakeholder groups to answer, we do think that the mid-level report contains the key information many stakeholders have told us that they want to see produced by Ofgem annually. As stated in our answer to Q3, there is an abundance of data contained within the RIGs which may not be appropriate for a mid level report. It is important to maintain a view of the target audience (and their information requirements) to ensure we deliver a successful skeleton report.</p>
<p><i>Q8: Would you like information and/or data published to reflect in-year performance or are you also interested in performance up to date and/or forecast or cumulative data? If so, why?</i></p>	<p>We think that this question is for the relevant stakeholder groups to answer.</p>
<p><i>Q9: Do you have any comments on the templates provided by stakeholders in annexes 2 and 3?</i></p>	<p>We think that this question is for the relevant stakeholder groups to answer. We are interested on customers comments on the volume of information included within Annex 3.</p>
<p><i>Q10: Would you be interested in the bill impact of each individual incentive or is overall bill impact a more useful measure?</i></p>	<p>We think that this question is for the relevant stakeholder groups to answer.</p>
<p><i>Q11: What additional data or information submitted in the RIGs would you like to see made publically available and why? You will find more information on data collected in the RIGs on our website.</i></p>	<p>We think that this question is for the relevant stakeholder groups to answer.</p>
<p><i>Q12: Do you have any preferences on the way data and information is presented?</i></p>	<p>We think that this question is for the relevant stakeholder groups to answer.</p>
<p><i>Q13: What data should the DNOs publish?</i></p>	<p>DNOs are obviously best placed to produce absolute performance data and any associated commentary. Stakeholders will identify their information preferences through this consultation and, depending upon their requirements (in terms of number of publications, use of relative performance metrics and preferred sources of information), decisions will need to be made on how the industry incorporates these into the future</p>

	reporting structure. Our discussions with stakeholders suggest that a succinct report comparing the performance of all DNOs and published annually by Ofgem would be welcomed.
<i>Q14: What are your views on what data Ofgem should publish?</i>	Please see our answer to Question 13.
<i>Q15: Based on the examples in annexes 1 and 4, and in tables 1 and 2 above, what do you think about using ranking and/or traffic lights? What are the advantages and disadvantages? Are there any alternative systems?</i>	We think that this question is for the relevant stakeholder groups to answer.
<i>Q16: Are there any particular aspects of DNO performance that you are interested in and think are well-suited to ranking and/or traffic lights?</i>	We think that this question is for the relevant stakeholder groups to answer.
<i>Q17: What information or data would you like us to publish on our website?</i>	We think that this question is for the relevant stakeholder groups to answer.
<i>Q18: Keeping in mind the reporting requirements and timings set out in Annex 5, is there any specific data or information which you would like to see reported on more than an annual basis? If so, why?</i>	We think that this question is for the relevant stakeholder groups to answer.