

Kiran Turner  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Avonbank  
Feeder Road  
Bristol  
BS2 0TB

Telephone 0117 9332175  
Fax 0117 9332428  
Email [asleightholm@westernpower.co.uk](mailto:asleightholm@westernpower.co.uk)

Our ref

Your ref

Date

-

13 March 2017

Dear Kiran,

## **Network Asset Secondary Deliverables Rebasing Consultation**

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 in relation to Ofgem's consultation on Network Asset Secondary Deliverables Rebasing.

We note that as part of this consultation Ofgem intends to approve DNOs submitted rebased Network Asset Secondary Deliverables.

We also note that due to some concerns Ofgem has with certain DNOs' data that additional scrutiny will be applied to reporting of progress for certain asset categories for those DNOs. In particular, we note that SSE may be required to rebase the targets again, dependent upon how condition data changes the view of health of their asset base.

The rebasing process is very data intensive and takes a number of months to complete for the full range of asset categories affected. Having established rebased targets using the Common Network Asset Indices Methodology (CNAIM), we urge Ofgem to fix the targets for the remainder of RIIO-ED1. This will give greater certainty for DNOs, Ofgem and interested stakeholders. It will allow DNOs to establish intervention prioritisation rules in order to deliver the outputs in the most efficient way and allow Ofgem to track delivery progress against the fixed targets.

We recognise that improvements to CNAIM may be identified during the remainder of RIIO-ED1. This may lead DNOs or Ofgem to seek changes to the methodology. At present, licence condition CRC 5D mandates a rebasing exercise when modifications to the methodology are approved. Any additional rebasing exercises will revise delivery targets and make the tracking of progress more complicated and uncertain. The licence obligations should be revised such that the requirement for automatic rebasing following any approved amendments to the CNAIM is removed.

Where improvements to CNAIM are identified, revisions to the methodology should be factored into the processes to be used for the next price control (RIIO-ED2). It would be

beneficial for both Ofgem and DNOs to have any changes for RIIO-ED2 finalised ahead of DNOs submitting business plans and associated data. This would reduce the need for future rebasing exercises after conclusion of the RIIO-ED2 price control.

Should you wish to discuss any aspects of this response please contact [amichalowski@westernpower.co.uk](mailto:amichalowski@westernpower.co.uk) or [pmann@westernpower.co.uk](mailto:pmann@westernpower.co.uk).

Yours sincerely

A handwritten signature in black ink, appearing to be 'AS', written over a faint horizontal line.

ALISON SLEIGHTHOLM  
Regulatory & Government Affairs Manager