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**10 February 2017**

Dear James,

Citizen's Advice is pleased to see the progress that has been made with the introduction of competition in onshore transmission system projects. It is most welcome to see Ofgem taking an innovative approach to seeking the best value in networks policy, and consumers should benefit for years to come from the savings brought about.

The NWCC project seems to be an ideal test case (assuming the Nugen project moves forward) for implementing the regime. We concur that it meets the requirements set out in the criteria for competition, being new, separable and of high value.

At the time of the publication of the consultation, we had concerns about the potential mismatch in timetable between the potential CATO tendering process, the construction of the NWCC, and the construction of the Nugen power stations. While we appreciate Ofgem is not currently able to take a view on some of the issues currently surrounding the Nugen project, a delay may help to alleviate some of the issues described on pp. 28-29 of the consultation. However, that delay is accompanied by significant uncertainty over whether or not the Nugen project is still live, and when we may receive clarity about its status. Until that commitment is in place, it is hard to see any merit to beginning the detailed tendering work. Any steps of this first CATO process which would be bespoke for the NWCC (i.e. which aren't setting up

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generic processes which would be used for further future CATO projects) should be put on hold until a clear commitment for Moorside is in place.

We accept Ofgem's guidance on the suitability of the project for splitting and re-packaging. If splitting the project into smaller components allows for a deeper pool of potential tendering companies to choose from, we envisage it could lead to better value for energy consumers.

With respect to the parts of the project that interact with the ENWL network, we would expect to see ENWL behaving in a responsible and constructive manner alongside the potential CATO bidders and the eventual winner. It would be disappointing if the distribution network license holder were to impede progress in finding more cost-effective solutions in improving the transmission network. We would expect Ofgem to oversee these relationships to make sure that ENWL continue to act in accordance with their obligations.

Yours sincerely,

Simon Moore

Policy Manager - Strategic Infrastructure