

## Appendix 5 - Feedback Questionnaire for Introduction of RIIO Accounts – further consultation on licence modification

Thank you for taking the time to respond to our questions. We hope all the questions are understandable. If you have any difficulties please email [mick.watson@ofgem.gov.uk](mailto:mick.watson@ofgem.gov.uk). Once the questionnaire has been completed, please send it back to us using the email address above. Please return the completed questionnaire by 5 December 2017.

Section 1 - About you	
<b>Your name</b>	Paul Branston
<b>Job title</b>	Regulatory Finance Manager
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<b>Organisation name</b>	Western Power Distribution
<b>Please state whether your response is confidential or not</b>	Not confidential

### Response

#### Question 1: Do you have any comments on the draft licence condition set out in Appendix 1?

We have raised a number of significant issues of detail on the content of the ORFRS in our written feedback to Ofgem on the dry run process. We also raise some high level issues in relation to Ofgem's approach to RIIO accounts in our letter which accompanies this template. As raised resoundingly by Network Operators at the Ofgem RIIO accounts workshop, we urge Ofgem to re-evaluate whether the ORFRS is adequate at this state and whether the RIIO accounts that would result from the ORFRS as it stands would provide value for money for the customer.

We do not believe it is good regulatory practice to introduce a licence condition which places, or gives Ofgem the ability to place, requirements on licensees without the detail of what is required being finalised. We therefore do not believe that the licence changes should be made until the wider issues we have raised are addressed, and the required changes made to the ORFRS.

Some further comments on the wording of the proposed licence condition:

We note in the letter accompanying the licence condition that Ofgem will issue an updated version of the ORFRS to licensees in December 2017. However, given that the closing date for this consultation is 6 December 2017, it is unclear how licensees will have the opportunity to comment on this version of the ORFRS before the licence condition proceeds. Given the level of issues still outstanding with the ORFRS that we have highlighted in our dry run feedback, we believe significant changes are still required to the ORFRS, which should be appropriately change controlled.

Further, we note that the licence condition requires licensees to appoint an auditor and that the audit should be conducted on a fairly presents basis, unless Ofgem consents otherwise. Given that it does not seem possible to conduct an audit on a fairly presents basis at this stage, again it does not seem appropriate to include requirements in the licence condition that are not currently possible.

#### Question 2: Do you have any comments on consequential modifications required to other licence conditions set out in Appendix 2?

**Question 3: Do you have any comments on the proposed RCGS Principles set out in Appendix 3?**

**Question 4: Considering the one-year delay in introducing RIIO Accounts and potential impact on consumer benefit it may have for RIIO2, do you agree that licenced NWOs should report RIIO Accounts for the Regulatory Year 2017-18?**

We consider that the requirement for RIIO accounts should be introduced once Ofgem is confident that their preparation provides value for money for customers and that the output will be meet the needs of its users.

**General response to our further consultation for the Introduction of RIIO Accounts**

See accompanying letter.