

Geoff Randall
Associate Partner, RIIO Gas Networks
Ofgem

8 January 2017

Dear Geoff,

Consultation on revised reliability (loss of supply) targets for RIIO-GD1

Thank you for the opportunity to respond to your consultation on the proposed changes to reliability (loss of supply) targets for RIIO-GD1.

As we set out in our response to your MPR Parallel Work consultation, we support Ofgem's proposals to change the targets for loss of supply for the remainder of RIIO-GD1. It is appropriate that the regulatory framework retains the flexibility to act upon new information and knowledge that allows changes to be made that better serves customers. Output targets that are not achievable due to errors in base data and understanding of targets and forecasts cannot work in the long-term interests of customers where they cannot be seen to drive correct behaviours.

The proposed targets for the number and duration of planned and unplanned interruptions of gas supply to consumers represent a challenging but fair outcome for networks. And more importantly represents a better outcome for customers with the new targets representing a step change in performance when compared to the previous price control period whilst further strengthening the focus on reducing the impact of any interruptions to supply on our customers. We support the decision to continue to exclude loss of supply incidents that exceed 250 properties and the inclusion for NGN of loss of supply incidents associated with MOBs. The targets presented are now totally consistent with the definitions of the start and finish of an interruption as set out in current version of the RIGs.

On this basis we fully support the proposed changes to targets for the RIIO-GD1 period set out within your consultation.

Yours sincerely,



Gareth Mills
Head of RIIO-GD2
Northern Gas Networks