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

Dear Geoff,

Wales & West Utilities is a licensed Gas Distribution Network (GDN) providing gas transportation services for all major shippers in the UK. We cover 1/6<sup>th</sup> of the UK land mass and transport gas to over 2.5 million supply points.

WWU welcome the opportunity to feedback on the proposal to revise reliability (loss of supply) targets for RIIO-GD1.

Consistent with our views when setting the RIIO-GD1 Outputs, our key goals remain to develop RIIO Outputs that:

- drive the right behaviours from networks to the benefit of consumers
- are sustainable over the longer term
- can be measured and reported accurately and consistently across all GDNs
- are equitable for all GDNs and
- are deliverable and comparable

Firstly we acknowledge the need to review the targets. In their current form, they do not meet the above goals and drive the right behaviour in all GDNs. Some are too easy to achieve and others simply not possible to achieve. As such, we believe it is in the interest of the consumer to review the targets and adjust where appropriate.

### WWU targets

WWU support the proposal to not revise our outputs. We have improved interruptions performance in RIIO-GD1 to date. This has required innovative approaches to the design and delivery of planned work and to the management of unplanned incidents. Our performance will need to continue to improve in the remaining years of RIIO-GD1 to enable us to achieve our targets. We believe this demonstrates they are suitably challenging and are driving the right behaviour for the benefit of consumers.

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## Revised targets for Cadent, NGN & SGN

Having reviewed current targets with the other GDNs we understand and support the proposal for revision.

It is difficult to comment on the revised metrics without understanding the associated workload assumptions. Generally they look more challenging and where they appear to have increased above current performance, we assume this is due to an increase in workload in the second half of RIIO-GD1.

## Significant events

Excluding >250 consumer interruption incidents from targets is the correct decision. These incidents are incredible difficult to forecast and therefore it is not possible to set targets that are reasonable and drive the correct behaviour in all instances. This is not to say we would not expect GDNs to be held to account for these incidents. They are reported separately and the mechanism exists for Ofgem to scrutinise GDN management of such incidents and hold us to account for poor performance.

## MOBs

WWU support the principle that consumers in MOBs should not be treated differently to other consumers. We do however acknowledge the significant challenges faced in getting properties in MOBs back on gas following an interruption. We support separating out the reporting of MOB interruptions to inform targets in GD2.

## RIIO-GD2

Our view is that targeting average interruption times could give the best result for consumers. We would welcome a move to a measure focused around this in RIIO-GD2. We look forward to reviewing this proposal and other possible improvements in the GD2 output working groups.

Yours sincerely,



Steve Edwards  
Director of Regulation and Commercial  
Wales & West Utilities

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