

Response from SPEN was received by email dated 19 March 2018.

Louise,

**Notice under Part C of Standard Licence Condition 46 (Regulatory Instructions and Guidance) of the Electricity Distribution Licence of proposed modifications to the Regulatory Instructions and Guidance.**

Just a quick note to confirm that we are comfortable for the most part with the RIGs changes as proposed under Notice detailed above. We welcome the proposed changes as they help to further clarify the RIGS and understand that they will come into effect from the 1<sup>st</sup> April 2018 for reporting year April 2017 to March 2018.

We very much support the RIIO Distribution team's desire to ensure that regulatory reporting is maintained effectively, however, we suggest the implementation of 'modification windows' for regulatory guidance, so that Ofgem can only change regulatory reporting guidance documents once a year within a specified timeframe. This will ensure that licensees are afforded the appropriate time to roll out any new regulatory rules to their businesses and make any necessary system changes. We would also request that any timeframes are set so that the regulatory guidance is finalised in advance of the next relevant reporting year. This will reduce a significant amount of administration for both Ofgem and the DNOs as well as prevent any errors as a result of retrospective changes.

We support the majority of Ofgem's proposals this year and have welcomed the detailed discussions on both the Connections Pack and Smart Metering and believe that further work could help streamline and clarify these areas. One change where we do have some reservations is the new Strategic Spares Category. We do not tend to hold any strategic spares across either licence and therefore unlikely that we will use this new category. We also have concerns on how practical it is to record any particular asset in CV7 and then do a debit/credit across potentially different C&V tables once that asset is commissioned.

I have highlighted a few minor points below which probably need resolved before RIGs come into place. Please can you review and let me know if you have any questions

Many thanks,

Drew

**a)Connections,CC5, 2.76, Projects Full Acceptance** – This includes all SLC 15 and section 16 connections offers where the customer has accepted the DNO full costs. Please can you clarify what section 16 is?

**b)Revenue Return Tab: R5 Input Page, Cell: I15**, The Ofgem value is 3.5%. (HM Treasury originally published 3.5% - however later revised this to **3.4%**.)

**c)SLC 12 15 and 15a reporting pack v4.0**

'SLC 15 Providing Quotes' tab: The formula in Line 82 'Total Exemptions' for columns B, C, D & E incorrectly includes line 64 which is a total of Standard (1) (a) -(f), resulting in a double count. Please remove '+64' from the formula.

d)Couple of minor typos in RIGS:

- C&V - p74, 5.310 - spelling of 'compulsory' is incorrect

- Connections - p8 - should say 'CC1 - Summary' (rather than C1)