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Nayar Hussain
RIIO Electricity Distribution
Ofgem

By email to RIIO-ED1@ofgem.gov.uk

6 August 2020

Dear Nayar

Citizens Advice response to Ofgem consultation on the RIIO-ED1 closeout methodology for Specified Street Works Costs (SSWC)

Citizens Advice welcomes the opportunity to respond to this consultation as part of its statutory role to represent domestic and small business energy consumers in Great Britain. Our response is not confidential and may be freely published.

We note that this consultation surrounds the closeout process to cover costs incurred by the licensee during the RIIO-ED1 period, but which were not included in the licensee's ex ante allowance or were not allowed as part of the SSWC reopener.

Consultation question: Do you agree with our proposed closeout methodology for SSWC?

We support the intention that the proposed closeout methodology closely follows the overarching principles set out in the RIIO-ED1 closeout methodology to ensure

Patron HRH The Princess Royal **Chief Executive Dame Gillian Guy**

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consistency.

We note the materiality thresholds that remain for the electricity Distribution Network Operator (DNO) companies, how any funding must be above the remaining threshold, and how any refused costs under this methodology will be subject to the Totex Incentive Mechanism of the relevant DNO. We also note the ability of DNOs to respond to any decisions made under this methodology.

We support the methodology as proposed and welcome the scrutiny that Ofgem will provide to ensure that only efficient costs are funded.

Yours sincerely

Caroline Farquhar
Senior Policy Researcher