

Relationship Bank Questionnaire
2nd May 2013

1. What specifics do banks take into account when lending to the UK Electricity Distribution sector?

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2. What specifics do you think that bond investors take into account when investing in the UK Electricity Distribution sector?

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3. How do your credit team rate the UK Electricity Distribution sector against those in the following jurisdictions?

	More risky	Similar	Less risky
US			
Australia			
Northern Europe			
Southern Europe			

4. Please rate your credit team's perception of the risk of the UK Electricity Distribution sector relative to the sectors listed below:

	More risky	Similar	Less risky
Electricity Transmission			
Generation			
Gas Transmission			
Gas Distribution			
Rail Infrastructure			
Airports			
Communication networks			

5. Please set out your institution's view of the 3 largest risks facing the UK Electricity Distribution sector

1.	
2.	
3.	

6. Please rank the following factors in order of perceived risk for the UK Electricity Distribution sector going forward:

		Please rank starting at 1 being the lowest risk
a.	Smart networks	
b.	Management	
c.	Electricity Regulation	
d.	Environmental Regulation	
e.	Weather	
f.	Other (please specify)	
g.	Other (please specify)	

7. Moody's and Standard & Poor's rate the four Western Power Distribution companies at Baa1 and BBB respectively.

Please comment on how you believe an upgrade from the ratings agencies would impact:

i.	Your institution's appetite to lend	
ii.	Debt Investors' existing holdings	
iii.	Debt Investors' ability to buy further bonds	
iv.	Your thoughts about the UK Electricity Distribution sector	

Please comment on how you believe a downgrade from the ratings agencies would impact:

i.	Your institution's appetite to lend	
ii.	Debt Investors' existing holdings	
iii.	Debt Investors' ability to buy further bonds	
iv.	Your thoughts about the UK Electricity Distribution sector	

8. What are your expectations about the outcome of RIIO-ED1? E.g. provide a longer period of certainty, enhance the profile of UK Electricity Distribution sector, etc.?

9. Do you have any comments not covered above that you believe would impact bond investors' desire to invest further in the UK Electricity Distribution sector?

10. In general what tenors appear to be the most attractive to investors at present?

12. Do you consider the new cost of debt methodology adopted by OFGEM will impact the length of tenor being issued by the UK Electricity Distribution companies going forward?

13. Do you perceive any significant change in the supply and demand for utility bonds occurring within the short term and also subsequently into the RIIO-ED1 period?

14. WPD will need to raise a significant amount of debt during the eight year review period. Do you perceive any impediments to prevent this from being achieved?

15. Which markets are best suited for such issuance?