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Mr Andrew MacFaul
Consultation Co-ordinator
Ofgem
9 Millbank
London SW1P 3GE

20 June 2008

Dear Mr MacFaul

I am writing on behalf of the Major Energy Users' Council (MEUC), which is an independent body representing the interests of a large number of industrial, commercial, retail and public sector organisations for which the use of electricity and gas is a significant factor in their operations. The MEUC was formed 20 years ago, shortly after the England and Wales gas market was privatised and opened up to competition. Its principal objectives are to keep members informed of developments within the industry and lobby government and regulatory bodies where appropriate. MEUC members also sit on a number of industry committees to provide consumer representation.

A number of my colleagues and I have attended meetings with Ofgem to discuss the issues that concern us and have already relayed them to your good selves so this letter will be brief.

A paper highlighting our concerns was produced following a workshop of our members on 27th February and a copy is attached to this letter. Whilst we subsequently had a meeting at Ofgem to discuss the issues it was not possible to discuss them in any detail and I would ask you to note the contents and the suggestions we make under the heading *Background to above Agenda items*.

The Ofgem workshop held on 23 May was also helpful in that regard and we support many of the views expressed particularly the need for a more openness between customers and DNOs for the

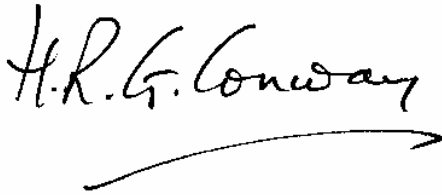
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connection process and cost transparency. We have highlighted the need for clear points of contact at each DNO company and more consistency of approach between them.

When it comes to the reliability of the supply you will appreciate that short duration power cuts and voltage dips can be extremely disruptive for industrial and commercial customers and can have very serious safety and cost implications. Generally these are not being recorded by the DNOs and we believe they should be reported and performance tables produced. The nature of highly sensitive computer processes and the potential increase of large numbers of variable wind powered distributed generators could well make the situation worse unless note is taken now..

We have no comment to make on the specific price controls proposed and appreciate that it may not be practicable to attempt to devise incentive formulae for the performance issues highlighted above. We trust that this is no reason for not striving to achieve improvements.

Yours faithfully

A handwritten signature in black ink that reads "H.R.G. Conway". Below the signature is a long, horizontal, slightly curved line that ends in an arrowhead pointing to the right.

H.R.G.Conway
Electricity Group Chairman
MEUC

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