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Email: [ElectricityNetworkCharging@ofgem.gov.uk](mailto:ElectricityNetworkCharging@ofgem.gov.uk)

Date: 03 July 2025

Dear Paul,

**Application by Port of Tilbury London Limited (PoTLL) for the approval by the Authority<sup>1</sup> of a amended charging methodology statement from a distribution exemption holder.**

This letter contains our approval of your charging methodology statement submitted to us by SEMARTS Utility Consulting on behalf of Port of Tilbury London Limited (PoTLL) on 21 April 2025.

**Background**

Some consumers are connected to electricity and gas networks that are exempt from the need to hold a licence to distribute and supply power. In the past, such networks did not have to provide third party access to their networks. This meant that customers connected to these networks were not able to choose who supplies their electricity and gas.

From 10 November 2011, distribution exemption holders (DEHs), also known as licence exempt distribution networks, have been required to provide third party access to their network when they receive an expression of interest from a party connected (or wanting to connect) to their network<sup>2</sup>. If a DEH proposes to charge for the use of its system, it is required to produce a charging methodology and submit it to us for consideration. Ofgem's approval of the charging methodology is required before a use of system charge can be imposed.

For the avoidance of doubt, a use of system charge is specifically defined as a charge which is levied by a DEH on a third party supplier identified in an expression of interest. We are not required to consider charges levied on the customer prior to an expression of interest as part of this decision.

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<sup>1</sup> The terms "the Authority", "Ofgem", "we" and "us" are used interchangeably in this letter. The Authority is the gas and electricity markets authority. Ofgem is the office of the Authority.

<sup>2</sup> The Electricity and Gas (Internal Markets) Regulations 2011 amended the Electricity Act 1989 under Schedule 2ZA.

**The Office of Gas and Electricity Markets**

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## The approvals process

In deciding whether to approve the amended charging methodology, we consider whether the methodology complies with the charging principles set out in our published *“Guidance on third party access charges for licence exempt gas and electricity distribution networks”*.<sup>3</sup>

These principles can be summarised as follows:

- the resulting tariffs must be justified by reference to the costs of the distribution network; and
- costs must be allocated to individual network users on an objective, justifiable and non-discriminatory basis.

You have provided us with information on your distribution network costs and an explanation of how you intend to allocate these costs to your network users in accordance with paragraph 5(2)(c) of Schedule 2ZA of the Electricity Act 1989. We consider that your approach is consistent with the above charging principles.

## Approval

In accordance with paragraph 5(5) of Schedule 2ZA of the Electricity Act 1989, the Authority hereby approves the charging methodology statement provided by Port of Tilbury London Limited (PoTLL) for the use of its distribution network.

If you have any questions relating to the issues discussed in this letter please contact us at [ElectricityNetworkCharging@ofgem.gov.uk](mailto:ElectricityNetworkCharging@ofgem.gov.uk)

**Andrew Malley**

**Head of Distribution and Residual Charging**

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<sup>3</sup> <https://www.ofgem.gov.uk/ofgem-publications/50612/tpa-network-charging.pdf>