

Electricity Distribution
Avonbank
Feeder Road
Bristol
BS2 0TB
syeo@nationalgrid.co.uk

Andrew Malley
Head of Distribution and Residual Charging
Energy Systems Management & Security
Ofgem
10 South Colonnade
Canary Wharf
London E14 4PU

16th December 2025

Dear Andrew,

Re: National Grid Electricity Distribution (East Midlands) plc Derogation Request Section 2A Clause 19.1A of the Distribution Connections and Use of Systems Agreement (DCUSA).

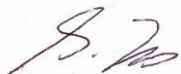
I am writing on behalf of National Grid Electricity Distribution (East Midlands) plc ('NGED') to request a Derogation against Section 2A Clause 19.1A of the Distribution Connections and Use of Systems Agreement (DCUSA) for National Grid Electricity Distribution (East Midlands) plc to publish prices outside of the 15 month notice period.

We have experienced problems in calculating charges for the East Midlands using the Forward Cost Pricing (FCP) methodology. The model fails to converge under intact network conditions due to the high load growth associated with the Holistic Transition pathway. This is problematic because the Authorised Network Model for the tariff year does not contain the necessary reinforcement to supply the demand within the time horizon required by FCP. Based on this, the FCP methodology in the East Midlands has failed to produce prices, and NGED therefore require a derogation for the East Midlands against the 15 month notice period so that NGED can provide a solution to the issue and calculate prices for April 2027.

We request the 15 month notice period is reduced to 13 months for this year's publication of East Midlands charges to allow time to understand consequences of the impacts on our customers. This will mean we will publish prices by 27 February 2026.

If I could therefore request you provide the necessary Derogation as soon as possible for East Midlands. Should you have any queries in relation to our Derogation request, please do not hesitate to contact me.

Yours sincerely



SIMON YEO
Income Manager
National Grid Electricity Distribution