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Andrew Malley  
Head of Distribution and Residual Charging  
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16<sup>th</sup> December 2025

Dear Andrew,

**Re: National Grid Electricity Distribution (West 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 (West 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 (West Midlands) plc to publish prices outside of the 15 month notice period.

As stipulated in the Ofgem document titled 'Guidance for managing the effects of surplus residual charges' (published 14 November 2024), DNOs are required requested to contact Ofgem should there be a risk of excessive surplus residual charges in tariffs due to take effect from 1 April 2027.

As part of our ongoing analysis we have identified there is a possibility of negative residuals in the West Midlands DNO and we therefore consider it is prudent to request a derogation at this time in case it is needed.

We request the 15 month notice period is reduced to 13 months for this year's publication of West 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 West 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