



Your ref

Our ref

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Dear Gary,

**ELECTRICITY DISTRIBUTION REBATES TO SUPPLIERS 155/03:
DECISION DOCUMENT – DECEMBER 2003**

CE Electric UK Funding Company (CE) is the UK parent company of Northern Electric Distribution Limited (NEDL) and Yorkshire Electricity Distribution plc (YEDL). This letter represents the response of CE, NEDL and YEDL to Ofgem's publication, '*Electricity distribution rebates to suppliers 155/03, decision document*, December 2003'.

We support the decisions set out within the document, believing that, in the main, they represent an appropriately balanced response to the issues identified during the consultation process.

Our only area of concern is over the mechanism for approving rebates with the prior consent of the Authority. Whilst we can see the attraction of combining this with approval of the charging methodology statements we are unsure that there will be sufficient coincidence between enough data becoming available to indicate that a rebate may be required and this document being submitted for approval.

Clearly the detail of this, and potentially the need for an alternative process, can be resolved as the process for approving charging methodology statements is defined.

Yours sincerely

Joseph Hart
Head of Network Pricing