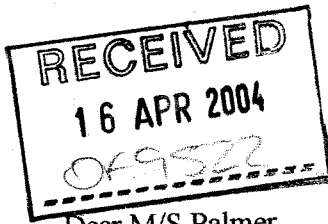


To OFGEM .

24 Ainthorpe Lane  
Danby  
Whitby  
N Yorks  
YO212JP  
01287660509  
12.04.04



Dear M/S Palmer

Thank you for your copy of Summary of DNO forecasts appendix on which you offered me the opportunity to comment. I appreciate that this does not contain every detail of the minutiae of NEDL submissions nevertheless there are some points I would like to make.

From my original letter you will appreciate that the matters concerning me could be summarised as follows

The interpretation of your Nov press release (setting out conditions for granting interim exemption from guaranteed standards to distributors) by NEDL. Their case re 31.12.03/1/1/04 claim seems to me in part tendentious. It is based in part on the requirement that at least 2% customers be affected. This they base at maximum moment. Nevertheless from the figures they have given me no more than 0.4% were still affected after 18 hours (the moment at which guaranteed standards for compensation payments would be triggered without the exemption. NEDL have never affirmed that this type of disruption will cease in fact they have been at pains to point out that there is an ongoing likelihood due to the nature of British weather. those customers then and in future most likely to be affected are likely to be those at the bottom of the prioritisation list for reconnection i.e the most sparsely populated rural areas (and those areas are least likely to have access to mains gas and hence most likely to suffer in every way from disruption).

I therefore suggest that OFGEM should give consideration to amending its conditions for granting exemption to read "more than 2% customers affected AFTER 18 hours"

I foresee the possibility for manipulation by distributors delaying reconnection work and economising on emergency and standby staff but feel that this need not be an insurmountable problem given the likely public reaction if anyone tried it.

I admit to a special interest given my age, the area in which I live, its history of disruption at the coldest time of the year etc but given the potential cost of such a criterion on the basis of DEC 31 I feel it would not impose an intolerable burden on distributors and would in a small way alleviate the hardship and distress caused to both elderly consumers and small rural businesses

I acknowledge the comments by NEDL about alleviating problems in remote rural areas. However these problems arise because of the conscious commercially realistic assumptions and contentions of NEDL re the impracticality of putting all supply underground and the need for prioritisation of reconnection. The thought of "compensation liability" as a result of their own decisions might encourage distributors to do something constructive to at least partially eliminate the problems. I note NEDL comment on the cost of putting cable underground but assume this to be an overall cost. I am no engineer but could not some consideration be given to inviting them to submit a phased programme for such work. A small step each year would help to eliminate the likelihood of compensation payments.

One further comment on the presentation of statistics. I note that in their estimates of unplanned customer minutes lost and unplanned interruptions per 100 customers the anticipated improvement over 5 years is very small. There is a great temptation to ask why?

*Why per  
100 cust*

There is a greater temptation to suggest that these statistics are misleading in real life. It would be more accurate to present the bottom line in terms of per 100 customers affected and probably more enlightening.

Since the submissions lay great stress on situations and costs which cannot be accurately anticipated and therefore accurately estimated I assume that they do NOT take into account the unpredictable weather in which case my concerns about the state of the system are even greater. Can you cast any light on this

*Take into  
acct severe  
weather*

Other concerns in my previous letter related to

Problems with the selective nature of statements supplied to customers where there is even a remote possibility of compensation under guaranteed standards being involved. I note that last letter received in my area from NEDL went some way to addressing this but possibly not far enough. I am awaiting clarification from them

Problems with conflicting statements from N Power and NEDL re application of guaranteed standards and exemptions. N Power have never replied on this and NEDL are still in the "we are right they are wrong mode" I hope this falls within your remit to be sorting out though not necessarily within the terms of the March review. A regulation of some sort might be nice

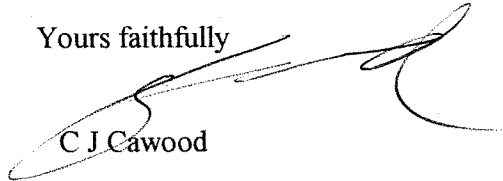
*aw*

Problems with the statement by Head of Energywatch attached to your Nov press release. I have had no clarification of this what appears to be (if studied carefully) very dangerous statement for customers emanating as it does from their supposed guardian

Perhaps I might also suggest that it could be made easier for concerned bodies eg local Councils/ Age Concern etc to have the opportunity to make comments on these reviews. I have been startled to find they have no knowledge of them at all.

*Ca  
Dist of do*

Yours faithfully



C J Cawood

PS I am taking the opportunity of enclosing with this letter a copy of submissions I am sending to Energywatch re the case of Miss Allen (an old friend) for whom I have been having an intermittent argument with N Power for the last 5 years. You may find it interesting if we can get them to accept our case, and it could be germane to some of the matters you are considering..