

United Utilities' Proposed Modifications

EHV Demand Transition

- Submitted proposal on 30th Sept. '05
- Proposed cost reflective methodology
- Increases ranged from 21% to 33%
- Ofgem decision in open letter on 19th Oct. '05
- Re-submitted proposal on 28th Oct. '05 proposing increases in line with general increase in other customers' charges

United Utilities' Proposed Modifications

Reactive Power Methodology

- Submitted proposal on 31st Oct. '05
- Proposal describes new methodology for deriving pence/kVArh charges from charging model costs
- Increase in kVA (related to kVAr) for poor pf's
- Charges developed for each customer class
 - LV MD, LV MD S/S, HV MD, HV MD S/S & EHV
- Proposal amends charging threshold from 0.9 to 0.95 (to align with charging model assumptions)