

13 February 2006

Mr David Edward
The Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Dear Mr Edward

NOTICE UNDER SECTION 11A(3) OF THE ELECTRICITY ACT 1989

I refer to the notice published by the Gas and Electricity Markets Authority on 13 January 2006 which sets out the Authority's intention to insert a new condition 9B into the electricity distribution licence. I confirm that neither Northern Electric Distribution Ltd nor Yorkshire Electricity Distribution plc objects to the making of this modification.

However, there are a number of drafting errors in the existing proposal which need to be corrected. I shall send you these by a separate email.

We remain concerned that the governance arrangements for the DCUSA may expose DNOs without an affiliated supply business to the risk that they will be outvoted by those DNOs that are associated with supply licensees. Since we understand that the procedure for modification of the DCUSA will be set out in the DCUSA itself we shall concentrate on securing our position in the discussions on that document rather than withholding our consent to this modification.

Yours sincerely

John France
Director of Regulation