

Philip Davies  
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9 Millbank  
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SW1P 3GE



20 March 2007

Dear Philip

**EARLY REPLACEMENT OF ELECTRICITY PPMs AND REMOVAL OF  
ELECTRICITY  
METERING OBLIGATIONS**

Thank you for the opportunity to respond to the above proposed licence amendments. I am writing on behalf of our three distribution licensees: EDF Energy Networks (EPN)plc, EDF Energy Networks (LPN)plc, and EDF Energy Networks (SPN)plc.

With reference to the notices dated 20 February 2007, issued under both section 11 and section 11A of the Electricity Act 1989 (the Act), and with reference to the notice dated 23 February 2007, issued under section 11A of the Act, EDF Energy accepts the substance of the licence modification proposals set out in those notices in respect of each of the above distribution licensees.

We refer to the substance of the proposals because there are a number of minor drafting corrections and improvements that Ofgem could usefully make to the amendments even at this late stage. We list the changes we have in mind in an attachment to this letter.

We accept the modifications on the basis that making these changes to the standard and special conditions does not preclude the possibility of some new obligation being placed on distributors in the future as the result of a decision that smart meters should be installed, and does not prevent EDF Energy, should it seem appropriate in all the circumstances of the case, from pressing for such a decision.

We would also like to take this opportunity to reiterate our position that, although we understand and accept that Ofgem is not providing stranding protection for meters replaced by smart meters in the current price control period, we believe that Ofgem is wrong to rule out stranding protection for prepayment meters that are replaced by smart meters in any future price control periods.

If you have any queries on the above, please do not hesitate to contact me.

Yours sincerely

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**Roger Barnard**

Head of Regulatory Law

**ATTACHMENT TO EDF ENERGY'S LETTER DATED 20 MARCH 2007**

**Suggested changes to the distribution licence modification texts published**

**by Ofnem on 20 and 23 February 2007**

**SLC 1: definition of "distribution business" - amend as follows:**

In the third line of limb (b), insert the word "services" after "operation".

**SLC 1: definition of "basic meter asset provision" - recast as follows:**

**basic meter asset** means the service comprising the provision of  
metering equipment (which, at the discretion of the  
**provision** licensee, may be metering equipment owned by  
him or by any other person other than the person  
making the application for the service of basic  
meter asset provision), where the metering  
equipment is of the same functionality as was being  
provided by the licensee in respect of such  
equipment at 1 June 2003, and for the avoidance of  
doubt includes the service of "legacy basic meter asset  
provision" as defined in paragraph 3 of standard  
condition 36 (Requirement to Offer Terms for  
Legacy Basic Meter Asset Provision).

**SLC 1: definition of "basic meter operation" - recast as follows:**

**basic meter operation** means the services of installing,  
commissioning, testing, **services** repairing, maintaining,  
removing, and replacing metering equipment,  
where these services are of the same standard  
of performance, quality, and timeliness as was being  
provided by the licensee in respect of such  
services at 1 June 2003.

**SLC 36: paragraph 3, sixth line:**

Delete the comma after "2007".

**SLC 36: paragraph 11, seventh and eighth lines:**

Amend as follows: "service described in paragraph 3, the licensee  
(notwithstanding anything in this condition) shall be ..."

**Special condition A2, Appendix 1, paragraph ES10:**

The words "Basic Meter Asset Provision" in the ninth line appear in the wrong font.

Special condition **F1** – amend as follows:

Paragraph 10: in each of sub-paragraphs (a), (b), and (c), insert the word "whether" in front of "single-rate".

Paragraph 10: in the first line of text immediately following sub-paragraph (c), insert the word "replace" after "to" and delete "change out" and, in the next line of text, delete the words "and replace it".

Paragraph 12(a): insert the words "the supplier's decision" after "of" and delete "supplier activity".

Paragraph 12(b): in the first line, after the word "the" (where it occurs for the first time) delete "start and end dates between which the licensee wishes the Authority to agree" and insert "start date and end date of the period for which the licensee seeks the Authority's agreement".

Paragraph 13: in the first line, restate "10-12" as "10 to 12" and, in the second line, after the word "to" delete "the" and insert "any".

Paragraph 14(b): in the first line, after the word "to" (where it occurs for the second time) delete "the" and insert "any".

EDF Energy  
March 2007

