

The Company Secretary
Western Power Distribution (South Wales)
plc
Avonbank
Feeder Road
Bristol
BS2 0TB

*Promoting choice and
value for all customers*

Our Ref: RBA/DPC/SOC/
Direct Dial: 020 7901 7255
Email: martin.crouch@ofgem.gov.uk

cc: Nigel Turvey (by email only)

16 April 2007

Dear Sir / Madam,

Modification Proposal to the Use of System Charging Methodology: IDNO network charging – intention to consult

On 21 March 2007, Western Power Distribution (WPD) submitted to the Gas and Electricity Markets Authority (the 'Authority') a proposal, reference WPD/Wales/West/UoS003, to modify their use of system (UoS) charging methodology.

The proposal modifies the UoS charging methodology statement in changing the method by which charges for independent distribution network operators (IDNOs) are determined.

Having carefully considered the issues raised in the proposal, the Authority has decided, in accordance with Standard licence condition (SLC) 4(6), to consult with the industry on the proposed modification.

In accordance with SLC4(6) we are therefore notifying you of our intention to consult on this matter. We received a modification proposal from Scottish Power (SP) concerning IDNO charging on 13 April and will therefore be issuing a consultation covering SP and WPD simultaneously.

Please contact Colette Schrier on 0207 901 7239 if you have any queries in relation to the issues raised in this letter.

Yours faithfully,



Martin Crouch
Director, Distribution

Signed on behalf of the Authority and authorised for that purpose by the Authority



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