

Simon Polley
Distribution Policy
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE



12 July 2007

Dear Simon

Standard Licence Condition 4B – Connection Charging Methodologies – “Change EDFE017” and “Change EDFE018”

Further to our letter of 12 July withdrawing “Change EDFE012” and “Change EDFE016” and in accordance with Paragraph 2 of Standard Condition 4B of the Electricity Distribution Licence, we have reviewed the connection charging methodologies for EDF Energy’s three licensed distribution businesses, namely:

EDF Energy Networks (EPN) plc;
EDF Energy Networks (LPN) plc; and
EDF Energy Networks (SPN) plc.

Two separate modifications to the methodology are proposed with individual modification reports attached as appendices to this letter. For simplicity of reading, a single track-changed version of the methodology is included with colour coding to identify which changes apply to which modification. The accompanying track change methodology is based on the existing methodology with changes EDFE013 and EDFE015 also included for completeness. A single final version is also submitted in pdf form with all changes included. Should any of the modifications be vetoed by Ofgem, a revised version of the final pdf file will be issued to Ofgem.

As we have a number of reasons for making the changes, for ease of reference we have assigned a ‘reason code’ to each of the changes. The appendices to this letter sets these out together with an explanation as to how the relevant objective(s) would be better achieved.

While not requiring approval, we have also supplied copies of the full connection charge statement which will be published as soon as is practicable once the relevant charging methodology has been approved. This would also be amended to take into account any vetoed modifications as outlined above.

As none of our amendments are changes to policy, we have chosen not to consult with interested parties in this instance. Our proposed effective date will be the 1 August 2007, subject to your approval within 28 days of our submission and in advance of the above effective date.

If any aspect requires further explanation or clarification, please do not hesitate to contact me.

If you have any queries please do not hesitate to contact me.

Yours sincerely

Paul Measday
Regulation Analyst, EDF Energy Networks

EDF Energy Networks
Appendix 1

“Change EDFE017” – House Keeping **green highlight**

EDF Energy Networks (EPN) plc/EDF Energy Networks (LPN) plc/
EDF Energy Networks (SPN) plc

Key Revisions to Methodology of Charges for Connection to the Electricity Distribution System (for approval by the Authority)

<u>Reason Code</u>	<u>Description of Modification</u>	<u>Justification</u>	<u>Why the Change Better Meets the Objectives</u>
1	Semantics – grammatical changes/corrections, including change from EDF Energy to ‘the Company’ throughout document.	<ul style="list-style-type: none"> • Correction of typographical errors. • Improving clarity of document. 	<ul style="list-style-type: none"> • All of the objectives in terms of improving the quality of the documents.
2	Merging of individual statements/methodologies for each licensee to one statement and one methodology covering all three licensees	<ul style="list-style-type: none"> • Customers only need to refer to one document • Reduction in maintenance overhead 	<ul style="list-style-type: none"> • All of the objectives in terms of improving the quality of the documents.
3	Brand changes.	<ul style="list-style-type: none"> • Rebranding occurring through EDF Energy Group, requiring changes to Networks publications. 	<ul style="list-style-type: none"> • LC4B – Clause 3d.
4	Re-indexing/re-named contents.	<ul style="list-style-type: none"> • To reflect subsidiary changes with the document itself. 	<ul style="list-style-type: none"> • Consequent to other changes.

<u>Reason Code</u>	<u>Description of Modification</u>	<u>Justification</u>	<u>Why the Change Better Meets the Objectives</u>
5	Updating contact and date/time details.	<ul style="list-style-type: none"> Necessity of ensuring up-to-date contact and date/time information. 	<ul style="list-style-type: none"> LC4B – Clause 3d.
6	Improvement of wording for clarity <i>without</i> changing the substance of the text.	<ul style="list-style-type: none"> Necessity of ensuring that publication is progressively more readable on each submission. 	<ul style="list-style-type: none"> All of the objectives in terms of improving the quality of the documents.
7	Removal of Statement specific data from Methodology	<ul style="list-style-type: none"> Some specific data/values should reside in the Statement rather than the Methodology, essentially a correction. 	<ul style="list-style-type: none"> All of the objectives in terms of improving the quality of the documents.
8	Re-organisation or change of internal and external references requiring an updating of the methodology or statement.	<ul style="list-style-type: none"> Some external references beyond the Company's control have changed. For example, www.hmsso.gov.uk has changed to www.opsi.gov.uk. Other internal references have also changed. 	<ul style="list-style-type: none"> All of the objectives in terms of improving the quality of the documents.
11	Removal of 7 meter road crossing from example table for LV charges	<ul style="list-style-type: none"> Table already contains a 10 meter example for LV. This brings consistency with the HV examples. 	<ul style="list-style-type: none"> All of the objectives in terms of improving the quality of the documents.

<u>Reason Code</u>	<u>Description of Modification</u>	<u>Justification</u>	<u>Why the Change Better Meets the Objectives</u>
12	Amendment of text to clarify that a customer who can enter into a connection agreement has a mechanism to secure capacity and therefore has no need to have use of an alternative mechanism to reserve capacity.	<ul style="list-style-type: none"> • Introduction of a de minimis level at which the company provides the means for a non-connectee to secure capacity constructed on their behalf (i.e. a developer) 	<ul style="list-style-type: none"> • LC4B – Clause 3d.
13	Clarification of application of customers explicit requirements contrasted to the functional capability of the adjacent distribution system	<ul style="list-style-type: none"> • Customers often sub optimally express requirements for 3 phase supply when capacity can be relatively easily provided via an existing single phase distribution system in the vicinity, whereas extension of more distant existing 3 phase distribution system can be at a considerably higher cost than the minimum design 	<ul style="list-style-type: none"> • LC4B – Clause 3c and 3d.
15	Removal of caps to A&D charges	<ul style="list-style-type: none"> • The previously stated caps were superfluous as the maximum values calculated from the table are self limiting and in the same range 	<ul style="list-style-type: none"> • All of the objectives in terms of improving the quality of the documents.