



To Distributors, suppliers,
customers and other interested
parties

Promoting choice and
value for all customers

Date: 22 October 2007

Dear Colleague

**Consultation on WPD's modification proposal
(WPD/WALES/WEST/UOS006) on Use of System Charging to IDNOs.**

On 19 October 2007 Western Power Distribution ('WPD') submitted a modification proposal (WPD/WALES/WEST/UOS006)¹ to the Gas and Electricity Markets Authority ('the Authority')². This modification request builds on WPD's proposal of 14 September 2007 (WPD/WALES/WEST/UOS005) which was vetoed by the Authority on 12 October 2007³, amended to address the reason for the veto.

As you may be aware, we have already consulted on the initial version of this proposal (WPD/WALES/WEST/UOS003)⁴ and have subsequently invited further comments to a revised version of this modification request (WPD/WALES/WEST/UOS005)⁵.

We would like to give all interested parties an opportunity to comment further on WPD's proposal. The proposed changes relate to issues raised in our decision letter of 12 October 2007. We would request respondents to send any comments on the changes⁶ to distributionpolicy@ofgem.gov.uk by **20 November 2007**.

If you have any question on this consultation, please contact Alberto Prandini on 020 7901 7281.

Yours sincerely,

Martin Crouch
Director, Distribution

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

¹ Modification Request on changes to the Use of System Charging Methodology to incorporate IDNO Networks and consequential changes to the form of the Use of System Charging Statement, available here:

<http://www.ofgem.gov.uk/NETWORKS/ELECDIST/POLICY/DISTCHRGMODS/Pages/DistChrgMods.aspx>

² Ofgem is the office of the Authority. The terms 'Ofgem' and the Authority' are used interchangeably in this letter.

³ The decision letter is available on Ofgem's website at:

[http://www.ofgem.gov.uk/NETWORKS/ELECDIST/POLICY/DISTCHRGMODS/Documents1/WPD%20UOS005%20Decision%20Letter%20\(South%20Wales\).pdf](http://www.ofgem.gov.uk/NETWORKS/ELECDIST/POLICY/DISTCHRGMODS/Documents1/WPD%20UOS005%20Decision%20Letter%20(South%20Wales).pdf)

⁴ Consultation 114/07 on WPD's and Scottish Power's modification requests on IDNO UoS charging, available here: <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=247&refer=NETWORKS/ELECDIST/POLICY/DISTCHRGMODS>

⁵ On 14 September 2007 we wrote to licensed distributors, inviting comments on WPD's modification proposal WPD/WALES/WEST/UOS003 to be submitted within 28 September 2007.

⁶ Respondents do not need to repeat comments made in response to the previous consultations, which will be taken into account in reaching the decision. We invite respondents to focus their attention on the most recent changes to the modification proposal.