



Rachel Fletcher
Director, Electricity Distribution
Ofgem
9 Millbank
London
SW1P 3GE

12 May 2008

Dear Rachel,

**Delivering the electricity distribution structure of charges project –
Micropower Council Comments**

Thank you for the opportunity to comment on your proposals to impose licence obligations on DNOs to require them to develop and implement cost reflective DUoS charges.

We share Ofgem's frustration at the delays in introducing such arrangements and support Ofgem's proposal to make licence changes to require these changes to be made.

The Micropower Council considers that DUoS charges should be cost reflective and properly recognise the benefits that microgeneration can bring in reducing power flows on the lower voltage network and thus reducing, or delaying, the need for network investment. However, we are also mindful of the complexity and confusion (and increase in transaction costs) that arises if this is taken to the extreme and we think it would be inappropriate for there to be multiple tariffs, within any particular DNO area, for broadly identical very small scale customers who install micropower technologies.

Please contact me if you wish to discuss any of the issues raised in this response in more detail.

Yours sincerely

Jonah Anthony
Policy Director
Micropower Council

■ Micropower Council
Stowe House 1688 High Street, Knowle,
Solihull, West Midlands B93 0LY

■ Tel: +44 (0) 1564 771554
Mob: +44 (0) 7920 571885
Fax: +44 (0) 1564 771506



Who we are

The Micropower Council is a cross-industry body whose membership comprises electricity and gas companies, manufacturers, trade associations, professional institutions, not-for-profit companies, non-government organisations, charities and private individuals, all of whom have a strong interest and expertise in the development of the micropower sector. A list of our members is available at:

<http://www.micropower.co.uk/council/members.html>

We provide the Micropower industry's main focal point for Government, regulators, Parliament, opinion formers and the general public throughout the UK on regulation and public policy issues affecting the production by consumers of their own sustainable heat and power.