

Your ref:

Our ref: ENERG/E/CHARGES/ENW/02

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Dear Rachel,

Consultation on proposals from Electricity North West Limited to modify use of system charges for independent distribution network operators (IDNOs), HV/LV generators and the DRM1.

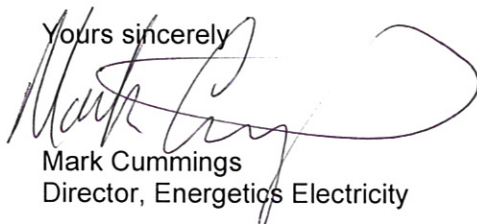
Thank you for your invitation to provide comment on the above proposal from Electricity North West Limited. We normally welcome the opportunity to discuss any DNO's proposed charging methodology with respect to IDNOs, however in this instance we are reluctant to provide any detailed comment in light of the Structure of Charges Project.

Ofgem recently announced their intention to introduce an obligation on DNOs to implement a common distribution use of system charging methodology. In doing so, Ofgem also requested that no further modification proposals were to be submitted for approval.

As a result of these announcements and without pouring over the reasons why this particular consultation does not further meet the relevant objectives of Electricity North West Ltd or advance and encourage the level of independent distribution with the UK, Energetics Electricity urges Ofgem to veto this proposal.

Energetics Electricity fully supports the Structure of Charges Project and hopes that it delivers increased cost transparency, currently lacking in the existing methodologies. In addition it should allow the delivery of a common set of tariff structures, which would allow the entire country to benefit from competition. Ofgem has already identified the problems associated with asking the DNOs to provide tariff structures for Independent Network Operators and I urge Ofgem to take the lead in this issue via this project.

Yours sincerely



Mark Cummings
Director, Energetics Electricity