

Rachel Fletcher
Director Distribution
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

31 October 2008

Dear Rachel

**Standard Licence Condition 13 – Charging Methodologies for Use of System and connection –
“Change EDFE022”**

In accordance with paragraph 13.2 of Standard Condition 13 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.

An updated methodology document is attached for your approval following changes to licence condition numbering and also the cessation of upfront charging of Assessment and Design (A&D) charges. The justification and explanation for these changes are set out in the appendix to this letter, together with an explanation as to how the relevant objective(s) will be better achieved.

While not requiring approval, we have also supplied copies of the full connection charging statement, which will be published as soon as practicable following approval of the relevant charging methodology.

As none of our amendments are changes to policy (the changes regarding A&D have already been implemented following Ofgem’s letter of 14 August), we have chosen not to consult with interested parties in this instance. Our proposed effective date will be 1 December 2008, subject to our receiving Ofgem’s 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.

Yours sincerely

Paul Measday
Regulation Manager



SECTION/PAGE	Sections - 1, 2, 4, 5 and Appendix	
TEXT CHANGES	Various – references to A&D charges removed	
RELEVANT OBJECTIVES UNDER LICENCE CONDITION 13	a) facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence;	Better reflects the revised legal interpretation of Sections 16, 16A and 19 of the Electricity Act 1989 by not requiring A&D charges to be paid in advance.
	(b) facilitates competition in the generation and supply of electricity, and does not restrict, distort, or prevent competition in the transmission or distribution of electricity;	N/A
	(c) results in charges which reflect, as far as is reasonably practicable (taking account of implementation costs), the costs incurred by the licensee in its Distribution Business; and	Provides clarity to customers about the structure of A&D charges, and the time that they will require to be paid.
	(d) so far as is consistent with sub-paragraphs (a), (b), and (c), the methodology, as far as is reasonably practicable, properly takes account of developments in the licensee's Distribution Business.	N/A

SECTION/PAGE	Sections - 1, 2, 4, 5 and Appendix	
TEXT CHANGES	Various – amended licence condition numbers following DLR and replacement of energywatch	
RELEVANT OBJECTIVES UNDER LICENCE CONDITION 13	a) facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence;	N/A
	(b) facilitates competition in the generation and supply of electricity, and does not restrict, distort, or prevent competition in the transmission or distribution of electricity;	N/A
	(c) results in charges which reflect, as far as is reasonably practicable (taking account of implementation costs), the costs incurred by the licensee in its Distribution Business; and	N/A
	(d) so far as is consistent with sub-paragraphs (a), (b), and (c), the methodology, as far as is reasonably practicable, properly takes account of developments in the licensee's Distribution Business.	Provides current licence condition numbers for user to cross reference to if required and amended contact details for complaint escalation