

Your ref

Our ref

Lesley Nugent
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18 November 2008

Asset Management

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Dear Lesley

Derogation requests to facilitate earlier connection of generation – consultation on information required to facilitate Ofgem’s assessment and proposed amendments to guidance.

I am writing on behalf of Northern Electric Distribution Limited (NEDL) and Yorkshire Electricity Distribution plc (YEDL), the licensed electricity distributors of CE Electric UK Funding Company Ltd, (CE Electric UK), in response to the letter from Stuart Cook dated 21 October 2008.

Given that CE Electric UK holds distribution licences, we have limited this response to those questions raised that relate to distribution licence holders.

Question 3 - We would welcome views on whether it is appropriate for the same guidance to continue to apply to derogations from P2/6 as it does to other derogation requests.

We have found the current guidance helpful in clarifying the process when applying for derogation from Engineering Recommendation (ER) P2/6, and we support the proposal for the revised guidance to be applied when seeking derogations from ER P2/6 in the future. Some derogation applications, particularly those seeking relaxations from technical codes and standards in order to facilitate the connection of renewable generation, may have an environmental impact and therefore it is reasonable that an environmental assessment is undertaken. However, we would not envisage that there would normally be a requirement to undertake an environmental assessment as part of a derogation request from ER P2/6 as they relate to inadequate infrastructure to supply demand rather than to connect generation plant.

Question 4 – We are interested in views on what circumstances could be considered for such ‘self certification’ by the DNO against P2/6 and how, in these cases, the Authority could be satisfied that it remains in a position to fulfil its statutory obligations, in particular in respect of security of supply.

CE ELECTRIC UK FUNDING COMPANY

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A relatively small proportion of our assets form part of our infrastructure in demand groups D and E although these assets supply demand to a large number of customers. We are therefore of the view that the present practice of permitting DNOs to self certify derogations from ER P2/6 for demand groups up to 60MW (demand groups A, B & C), with formal derogation requests being made for demand groups D and E, works well in practice and strikes a reasonable balance between minimising DNO resources in preparing formal derogation requests and providing the Authority with sufficient comfort that the those parts of the network which play a significant part in maintaining supplies to a large numbers of customers are compliant with the planning standard.

If you have any questions or would like further discussions about any issues in this letter, please do not hesitate to contact me or Alan Creighton on 01977 605920.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Drye', written in a cursive style.

Mark Drye
Director of Asset Management