



Your Ref: 149/08

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Rachel Fletcher
Director, Distribution
The Office of Gas and Electricity Markets
9 Millbank
LONDON
SW1P 3GE

12 December 2008

Dear Rachel

Re: Consultation on IDNO and DNO out of area use of system charges: reduction of the 3 month notice period for amending charges under SLC 14(20)

I am writing on behalf of CE Electric UK (CE) Funding Company and its wholly owned electricity distribution licensees Northern Electric Distribution Limited (NEDL) and Yorkshire Electricity Distribution plc (YEDL). This letter provides our response to Ofgem's recent consultation on the reduction of the notice period for independent distribution network operators' (IDNOs) and distribution network operators' out-of-area use of system charges.

Whilst we support the principle of DNOs and IDNOs being treated as comparably as possible by Ofgem, we appreciate the difficulties that the requirement to give three months notice of tariff changes presents to IDNOs as a result of their being constrained, so far as domestic customers are concerned, by the relative price control. We therefore believe that it would be reasonable for IDNOs to be required to give as much notice as practicable, but in any event not less than two months notice, of tariff changes affecting domestic customers, where such changes are as a direct result of proposed changes in the relevant host DNOs tariffs relating to domestic customers. This could be extended to non-domestic tariffs if IDNOs chose to reflect host DNOs tariffs in that segment of the market also.

I would therefore like to convey our support for the granting of an enduring consent provided that the charges reflect those of the host DNO, allowing suppliers what will in essence remain a three-month notice period.

Yours sincerely

A handwritten signature in cursive script that reads "H Jones".

Harvey Jones

Head of Network Trading

CE ELECTRIC UK FUNDING COMPANY

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