

Company Secretary
Western Power Distribution (South Wales) plc
Avonbank
Feeder Road
Bristol
BS2 0TB

Cc: Nigel Lloyd, Nigel Turvey (by email only)

Your Ref: UoS 012
Our Ref: RBC/DPC/SOC
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Email: rachel.fletcher@ofgem.gov.uk

Date: 27 March 2009

Dear Company Secretary,

Notice of consultation in relation to Modification Proposal UoS 012 to modify the statement of use of system charging methodology by introducing revised IDNO charges

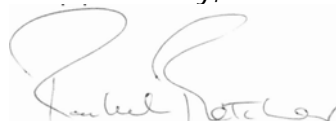
On 28 February 2009 Western Power Distribution (South Wales) plc ("WPD") submitted to the Gas and Electricity Markets Authority (the "Authority") a proposal, reference UoS 012, to modify its use of system (UoS) charging methodology.

The proposal modifies the UoS charging methodology in changing the method by which charges for independent distribution network operators (IDNOs) are calculated. The modification proposal seeks to implement a specific IDNO charging methodology which is based on a discount of end customer charges derived from price control data.

In accordance with SLC 13(6) we are therefore notifying you of our intention to consult with the industry on this matter. It is our intention to publish the consultation document on Ofgem's website within the next couple of weeks.

Please contact Mark Askew on 020 7901 7022 if you have any queries in relation to the issues raised in this letter.

Yours sincerely,



Rachel Fletcher
Director, Distribution

Signed on behalf of the Authority and authorised for that purpose by the Authority