

Company Secretary
Electricity North West limited
Dalton House
104 Dalton Avenue
Birchwood Park
Birchwood
Warrington
WA3 6YF

Your Ref: ENW/2009/004.1
Our Ref: RBC/DPC/SOC
Direct Dial: 020 7901 7194
Email: rachel.fletcher@ofgem.gov.uk

CC: Simon Brooke, Tony McEntee

Date: 18 June 2009

Dear Company Secretary,

Notice of consultation in relation to Modification Proposal ENW/2009/004.1 to modify the statement of use of system charging methodology by implementing an interim IDNO charging methodology and charges

On 16 June 2009, Electricity North West limited ("ENW") submitted to the Gas and Electricity Markets Authority (the "Authority")¹ a proposal to modify its use of system ("UoS") charging methodology. This modification sought to introduce revised tariffs for Independent Distribution Network Operators ("IDNOs").

The proposal introduces new IDNO charges at EHV, HV and LV based on a discount from the 'all the way' charge. This discount is calculated by assessing the proportion of LV revenue which covers ENW's equivalent IDNO costs of providing the last mile of the distribution network. ENW offer a choice of either a portfolio or a site based tariff structure for its proposal.

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

¹ Ofgem is the office of the Authority. The terms 'Ofgem' and the 'Authority' are used interchangeably in this letter.