

Ynon Gablinger
Distribution Policy
The Office of Gas and Electricity
Markets
9 Millbank
LONDON
SW1P 3GE

Your ref
114/09
Our Ref

Date
26/10/09

Contact / Extension
María Isabel Liendo
01698 413512

Dear Ynon,

Electricity distribution structure of charges project: DNOs' proposals for a common methodology at lower voltages. Ref: 114/09

SP Energy Networks ('SPEN'), on behalf of SP Distribution and SP Manweb, welcomes the opportunity to comment on the issues raised in this consultation.

SPEN has been actively engaged in the group of DNOs and other industry stakeholders in the development of a Common Distribution Charging Methodology for the HV and LV voltage levels since October 2008. We believe that the method developed by the joint DNO group and submitted to the Authority on 25 August fully meets the Relevant Objectives in Licence Condition 50.

The CMG has prepared a joint response on behalf of the DNOs, addressing some of the issues raised in the consultation. We in SPEN fully support the points made in that paper and see little point in repeating them in a separate response.

With regards to the potential conditions for approval highlighted in your consultation document, we have some concerns and reservations about the practicalities of the requirements, in particular in relation to the revised methodology for "generation-dominated" areas as well as the best practice in relation to publication of the Network Unavailability Rebates. Our position is as explained in the joint CMG response. Please note that, with the information available at the moment, we do not currently believe we would be likely to raise representations in relation to a conditional approval in the terms suggested in the consultation.

Please do not hesitate to contact me should you have any queries.

Yours sincerely,

María Isabel Liendo

Senior Analyst, Regulation

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