

Paul Newman

Subject: RESPONSE TO OFGEM LEGAL CONSULTATION

To all concerned

The attachments to this email are all relevant in one way or another to Ofgem's current consultation on the initial DPCR5 licence drafting. They also relate to matters for discussion at either or both of the LDWG meetings scheduled for 19 and 25 November. They are explained in detail below.

- **licfin:** this file represents the response of the DNOs to the licence drafting consultation following their due diligence inspection of the published texts. It takes the form of a markup of the legal appendices published by Ofgem alongside the consultation paper last month. With one exception (see below), all of the DNOs' proposed amendments, additions, and deletions are either flagged in yellow highlighter or are shown in strikethrough.
- The exception relates to the presentation of the algebraic terms and formulas. Firstly, many of the full algebraic formulas are embedded in Ofgem's text as photographic images. Where this is the case, it has not been possible to amend any of these. Secondly, although all of the algebraic terms within the texts have now been put into upper case style, as requested by the DNOs, these changes remain unflagged in order to avoid confusion.
- **licgrid:** this file contains an explanatory table that complements the licfin file and should be read in conjunction with it. It lists all of the DNOs' amendments, additions, and deletions, as shown within the licfin file, and briefly summarises the reason for each one. The table is in landscape format.
- **tranx:** this file (dealing with the incentive scheme for transmission exit charges) contains the revised versions of standard condition 45A and CRC 10, agreed at the LDWG meeting held on 5 November, which replace Ofgem's consultation versions. It also contains the changes required to standard condition 33 and CRC 2 to deal with definitional issues. We still need to settle how paragraph (a) of the definition of transmission exit charges can best deal with the question of when the "requirement" of the DNO crystallises for the purposes of the scheme.
- **extras:** this file contains CRCs 1 to 7 (inclusive) in the form in which they were produced last month for the LDWG meeting held on 12 October. These texts were held back by Ofgem from the public consultation, but they raise a number of drafting issues that we still need to finalise if we can at our meeting this coming Thursday.

I hope that all of this is helpful, and I look forward to seeing you with other colleagues on Thursday.

Roger