

Rachel Fletcher
Partner, Distribution
Ofgem
Millbank
LONDON
SE1P 3GE

Direct line 01925 846863
Fax 01925 846990
paul.bircham@enwltd.co.uk

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Dear Rachel,

Standard Condition 24 (Distribution System planning standard and quality of performance reporting): Electricity Distribution Licence

I refer to your letter dated 4 March 2010. We are pleased to have the opportunity to comment on the proposed extension of the existing P2/6 derogation to 31 March 2015.

We fully support the extension of the derogation. Furthermore we would like to suggest raising the limit for self derogation to Group Demands of 100MW as an enhancement to the current regime.

As we have suggested before, we believe that a limit for self derogation for Group Demands of 100MW would be more appropriate than the current 60MW. The 100MW threshold represents the demand level where, within Class D, there is a need for re-supply following a second circuit outage. It is this breakpoint that is a strong driver of reinforcement cost for our network, and where compliance issues most often arise.

Again, as we have argued in the past the IIS regime continues to be a major driver for investment to avoid widespread loss of supply, irrespective of arbitrary limits such as 60MW or 100MW. In addition the network outputs load indices (LIs) introduced as part of the DCPR5 process will provide substantial protection for customers in that DNOs will need to contain or reduce LIs of 5, ie by investment in system modifications to provide greater demand security.

I hope you find these comments helpful. As always, we will be very happy to discuss any aspect of our response. Please feel completely free to contact us.

Yours sincerely,

Paul Bircham
Regulation Director