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13<sup>th</sup> July 2010

Dear Sir/Madam,

RWEnpower welcomes the opportunity to comment on these proposals. This response is provided on behalf of the RWE group of companies, including RWE Npower plc, RWE Supply and Trading GmbH and RWE Npower Renewables Limited, a fully owned subsidiary of RWE Innogy GmbH.

This consultation, along with the Energy Network Association consultation on the EDCM, will substantially impact charges for both EHV connected demand and generation. It is difficult to consider the two consultations in isolation as they are intrinsically linked. Any changes made to the connection boundary have the potential to have a substantial impact on the illustrative tariffs released in conjunction with the consultation on the EDCM and also those produced through the CDCM for charging at lower voltages.

We welcome changes to the charging methodology that increase cost reflectivity, clarity and transparency. As a result of this we would favour a common charging boundary. We are, however, concerned that the illustrative charges are showing potential very substantial impacts on charges to customers. Feedback from some end users is that the large increases in charges could result in job losses or companies going out of business. We feel that in this case it is worth considering the balance between cost reflectivity and the impact on end users. We therefore support the option which provides end users a choice to remain on site-specific charges (Option 3 - Optional Raised Boundary). The option is described as a 'one-off and irreversible' choice. We would request that this option to choose methodology is also made available to end users if there is a change in site ownership.

Currently it is very difficult to comment on the cost implications of changing the boundary. There are still large elements of the EDCM methodology which are being debated that have the potential to change the charges substantially from the illustrative tariffs. Given the proposed timescales for this methodology to be introduced, we are concerned that there may be insufficient time for end users impacted by large changes to budget for this.

We are concerned that end users may choose to change where they connect to the network in order to minimise network charges. This will have an effect on both charges and how the Distribution Network is operated in the future.

Please feel free to contact me if you wish to discuss this response in more detail.

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Many thanks,

By email so unsigned

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