

LCNF Full Submission

Supplementary Answer Form

DNO Name:	SHEPD	Question Number:	SSE028
Question Date:	17/09/10	Answer Date:	21/09/10
Question Topic:			

Original Question No:		Original Answer Date:	
Original Question:			
Original Answer:			

Question:	Can you please be definitive about whether you will require a charging derogation to undertake your trial. In particular can you outline how your proposal to offer payments to domestic customers is compatible with your current charging arrangements and subsequent licence obligations.
------------------	--

<p>Answer:</p>	<p>We do not believe our proposal to offer payments to domestic customers conflicts with our current charging arrangements and licence obligations.</p> <p>We want to work with Ofgem to ensure that LCN trials can be smoothly rolled-out. We recognise that customers may need to be 'compensated' or have their charges adjusted to account for their role in any LCN trials.</p> <p>This is likely to be an element that applies to all LCN trials to some degree. We believe these can sit outside the common charging arrangements. From a transparency perspective, we believe there may be merit in preparing a LCN methodology statement specific to each project that clearly sets out the methods by which any payments that will be calculated made to any small sub set of customers that are participating in an aspect of an LCN trial that warrants.</p> <p>This statement would evolve and be enriched through the life of the project as the level of understanding and learning with regards to the benefits and economics of each project grows.</p> <p>Should Ofgem disagree, we (and other DNOs) would be forced down the route of change control of the common methodology under the DCUSA. We believe this would be cumbersome and inconsistent with the duration and intent of the trials.</p>

<p>Attachments:</p>	
----------------------------	--