

Nicholas Rubin
Ofgem
9 Millbank
London
SW1P 3GE

15 July 2011

Dear Nicholas,

Consultation on the request from CE Electric UK (NEDL) to publish use of system (UoS) charges that are not in accordance with its charging methodology.

Thank you for the opportunity to comment on this consultation.

EDF Energy is one of the UK's largest energy companies. We provide 50% of the UK's low carbon generation. Our interests include nuclear, coal and gas-fired electricity generation, renewables, combined heat and power plants, and energy supply to end users. We have over 5 million electricity and gas customer accounts in the UK, including both residential and business users.

We are happy for this letter to be published on the Ofgem website.

We are pleased that Ofgem has decided to go to consultation on the issue of the error in CE Electric UK (NEDL) CDCM model. It is helpful to be able to discuss these issues in an open and transparent way.

In order to provide the best service to our customers, suppliers wish to see transparency and stability in distribution charges. While we are aware that errors can be made, this is not the first occasion that we have seen material errors made to the DNOs' CDCM models.

The points we would like to make are:

- We would like to see a more robust checking process of the models as we believe that it is unfair that any error created by a DNO is automatically passed onto the supplier who is not always in a position to recover the additional costs from its customers.
- We would also like any error to be reflected in a reasonable time frame, i.e. at least the following April price change rather than the next available date. This would ensure that suppliers are able to reflect the charges in their prices to customers.
- With regards to the retrospective amendment in CE Electric UK (NEDL) CDCM model, we understand the need for the charges to be cost reflective, which they will be going forward. If CE recalculate their charges retrospectively for this mistake in the period April11-Sept 11 in the charges from October 2011 suppliers would be put in a difficult position of being billed for an error on a customer that they may, or may not have had in that prior period.

I hope you find these comments useful, however if you wish to discuss this response further please contact either of my colleagues Simon Vicary (simon.vicary@edfenergy.com 020 3126 2168) or Julia Haughey (julia.haughey@edfenergy.com 020 3126 2167).

Yours sincerely,

A handwritten signature in blue ink that reads "Paul Delamare".

Paul Delamare
Head of Regulation