

Nicholas Rubins  
Distribution Policy – Local Grids  
Ofgem  
9 Millbank  
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SW1P 3GE

Your ref 58/11

Name Helen Inwood  
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21<sup>st</sup> July 2011

Dear Nicholas

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

RWE npower 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.

Firstly, we would like to thank Ofgem and CE for the detailed scenario information that was published alongside this consultation in advance of the indicatives being published. This information has proved very useful to us for our pricing processes.

Our preference on the options proposed is to correct the error and update the model i.e. setting future charges at the correct level. This is in line with the current CDCM methodology. This will result in less volatility in charges from October 11. We are concerned that the rebalancing option is being put in as a 'fix' and could set precedence for other corrective actions moving forward. A formal change to the CDCM process should be made if the rebalancing option is to be used moving forward.

We share Ofgem's concerns regarding the manifest errors that have occurred recently. While recognising that errors can happen, it is suppliers and consumers who are impacted by these issues. We are in the process of raising a DCUSA modification to spread this risk across longer timescales. We would support any additional proposals by Ofgem to deal with such errors.

Please feel free to contact me if you wish to discuss this response in more detail. This response is not confidential.

Yours sincerely,

By email so unsigned

Helen Inwood  
Network Charging Manager