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7 October 2011

Dear Neil,

CE Electric UK response to the Ofgem consultation on a proposed request for derogation under Standard Licence Condition 24 of the Electricity Distribution Licence.

CE Electric UK agrees that Ofgem should grant a derogation for nominated circuits in Electricity North West's distribution services area as described in the consultation document in the event that the Capacity to Customers project proceeds. We consider that there may be a route to avoid a derogation from P2/6 if assumptions relating to the definition of Demand Group and the demand to be secured after an outage were clarified. However, without a more detailed discussion or an opportunity to review more information, we cannot be confident that this would be a viable option to ensure compliance with both the security of supply standard and the associated engineering technical recommendation. It is for that reason that we support Ofgem's proposed course of action to grant a derogation.

Yours sincerely

A handwritten signature in dark ink, appearing to read "Jim Cardwell", with a stylized, flowing script.

Jim Cardwell
Head of Regulation & Strategy

CE ELECTRIC UK FUNDING COMPANY

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