

Dora Guzeleva
Head of Networks Policy
Ofgem
9 Millbank
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21 September 2012

Dear Dora

Notice under section 11A(2) of the Electricity Act 1989 - Proposed modifications to Special Condition CRC 7 of the Electricity Distribution Licence in relation to the date by which the Authority is to direct the value of the PPL and the Allowed Losses Percentage (ALP) terms for the Distribution Losses Incentive Mechanism

I refer to the statutory consultation undertaken by Ofgem on 24 August 2012 on the proposed modifications to the electricity distribution licence ('the licence') to alter the dates by which certain directions are to be made by the Authority with respect to terms set out in special condition CRC 7 of the licence.

We do not object to the proposed modifications to the licence for these purposes. Our reasons for supporting the changes proposed by Ofgem are fully set out in our response to the Ofgem consultation *Whether to activate the Distribution Losses Incentive Mechanism in the Fifth Distribution Price Control*.

On a point of detail, in the penultimate line of paragraph 7.8B in Appendix 1 of your consultation 'year' should read 'Year'.

Yours sincerely



John France
Regulation Director

NORTHERN POWERGRID HOLDINGS COMPANY

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