

Contents of e-mail received from GDF Suez on 2-Oct-12:

Below is GDF SUEZ Energy UK's response to the above.

CHAPTER: One

Question 1: Have the options available to pre-2005 generators been clearly explained to those generators?

Yes

Question 2: What information (or guidance) about the EDCM would be of use to industry participants, and what do DNOs and generation customers think could be provided?

No comment.

CHAPTER: Two

Question 1: Do you think that the proposed methodology includes the relevant issues, and has not omitted any relevant issues?

Yes

Question 2: Do you agree with our understanding that the interactions between super-credited credits for intermittent generators and Engineering Recommendation P 2/6 could result in demand customers paying for credits when no network benefit is recognised under the planning standard?

No comment.

Question 3: Is the treatment of sole-use asset costs appropriate?

Yes.

Question 4: Is the calculation of the revenue pot appropriate, in particular the approach to the DPCR4 contribution, and proposed figure for the O&M rate?

It depends. If the new reduced charges are supposed to be 'Cost Reflective', then is there an issue if the CDCM customers get scaled up to make up the lost revenue from Export EHV customers and therefore make CDCM no longer 'Cost Reflective'?

Also, the pre-2005 generators are exempt because they paid 'deep connection charges' – are these pre-2005 payments to the DNO taken into account in the DNO allowed revenue calculations or are other Import/Export customers subsidising the customers that are exempt?

Question 5: Is the approach to allocation of the revenue pot appropriate?

Depends on the answer to the points raised in Q4.

Question 6: Do you have any views on the calculation of LDNO charges through the extended "Method M" for CDCM-like customers, and through the separate methodology for EDCM-like customers?

No.

Question 7: Do you have any other comments about the issues that we have noted, or about any other points?

No.

Question 8: Is it appropriate for us to approve the methodology?

Yes.

Question 9: Is it appropriate for us to place the potential condition that we have suggested, and are there any other conditions that respondents feel would help to better meet the Relevant Objectives?

No comment.

Question 10: Do you think that we have identified the important impacts in our Impact Assessment?

Yes.