

Dora Guzeleva  
Head of Networks Policy  
The Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1P 3GE

14 December 2012

Dear Dora

**Notice under section 11A(2) of the Electricity Act 1989 - Proposed modification to Special Condition CRC 7 of the Electricity Distribution Licence in accordance with the Authority's decision not to activate the Distribution Losses Incentive Mechanism contained in the fifth Distribution Price Control Review (DPCR5)**

Thank you for the opportunity to comment on the above matter: I am writing on behalf of each of Northern Powergrid Holdings Company and its two licensed electricity distribution businesses, Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc.

In response to previous consultations Northern Powergrid has already stated that it would not oppose a decision by Ofgem to nullify the DPCR5 period losses incentive. We agree that the proposed modifications to special licence condition CRC7 will give effect to Ofgem's decision to nullify that incentive, and so we support the modifications being made as proposed.

Yours sincerely

A handwritten signature in blue ink that reads "John France".

John France  
Regulation Director

**NORTHERN POWERGRID**

is the trading name of

Northern Powergrid (Northeast) Limited (Registered No: 2906593) and Northern Powergrid (Yorkshire) plc (Registered No: 4112320)

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