

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 of the Electricity Act 1989 - Proposed modifications to Standard Licence Conditions 33 and 44B, Annex 1 of Standard Licence Condition 47, and Appendix 1 of Standard Licence Condition 49 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.

We support Ofgem's intention of removing the current distribution losses reporting regime and replacing it with a distribution losses reporting requirement.

We agree that the licence changes marked in the consultation document are required to effect this intention. However, we also believe that sub-clause A3 (b) to Appendix 1 of Condition 47 should be deleted. This clause requires DNOs to report system entry volumes and units distributed. Since losses are simply the difference between these two figures, at present the proposals would result in no noticeable reduction in reporting requirement due to the deletion of the sub-clause which specifically refers to losses, A3 (c).

I hope that you will find this input helpful.

Yours sincerely

A handwritten signature in blue ink, appearing to read "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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