

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

19 March 2013

Dear Dora

Notice under section 11A(2) of the Electricity Act 1989 – proposed modifications to Special Condition CRC 7 of the Electricity Distribution Licence

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.

Northern Powergrid has no objection to the proposed licence modification to remove a specific date by which the Authority is required to have directed the value of the term PPL_t . We also have no objection to the removal of the requirement for PPL_t to be recovered by the end of the regulatory year 2015-16, and its replacement with a requirement that the years over which PPL_t is recovered should take into account the timing of the decision on PPL_t . We do not necessarily expect that the process will be extended materially beyond the original 1 April 2013 deadline. Neither do we necessarily expect that recovery of PPL_t will need to be delayed. We would also support an ambition by the Authority to provide certainty to all affected parties as soon as possible. However, a specific date in the electricity distribution licence for the final resolution of the matter is not necessary for the Authority to maintain such an ambition.

We note that the timing of the statutory consultation means that, for a short period of time after 1 April 2013 but before the currently proposed modifications take effect, Ofgem will not have met a deadline set out in the version of the electricity distribution licence which is in force. We see no serious legal problem with this discrepancy since the licence is able to impose duties only on the licensee and, therefore, Ofgem's failure to specify something in accordance with the timescale set out in the licence does not present any obstacle to the making of the modification that you have proposed.

Yours sincerely

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

John France
Regulation Director

NORTHERN POWERGRID

is the trading name of

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