

Tim Aldridge
Smarter Grids & Governance: Distribution
9 Millbank
London
SW1P 3GE

6 December 2013

Dear Tim

Further consultation on restatement of 2009-10 data and closing out the DPCR4 losses incentive mechanism

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

While we do not have any specific comments on the questions raised in the consultation, there are still concerns around the data used for restatement to calculate the close out position for DPCR4.

A pragmatic approach needs to be taken to resolving this long-running issue. In reaching its decision, Ofgem needs to balance the need to not unwind price control settlements that were seen by both sides as a package, while recognising that relatively little of practical value was achieved by the incentive mechanism. In the context of many consumers struggling to pay their energy bills, the resolution to this matter has to be fair to all impacted parties.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Julia Haughey on 020 3126 2167, or myself?

I confirm that this letter may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in blue ink that reads "Paul Delamare".

Paul Delamare
Head of Downstream Policy and Regulation