

Simon Cran-McGreehin  
Senior Manager, Networks Policy  
Ofgem  
9 Millbank  
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21 January 2013

Dear Simon

**Electricity distribution charging: consultation on a derogation under SLC 13A.14 to relieve Southern Electric Power Distribution plc of its obligation to charge a customer under the CDCM; and seeking views on treatment of certain types of CDCM customers**

Thank you for the opportunity to provide views on the above consultation. This response should be regarded as a consolidated response on behalf of UK Power Networks' electricity distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc, and UK Power Networks (IDNO) Limited. We are content for this response to be placed on the Ofgem website subject to the redaction of the whole table in Appendix 1, due to confidentiality of customer data.

The request and subsequent decision for derogation should be a matter for Ofgem to agree with the DNO involved (SSE). We feel that it is not appropriate for UK Power Networks to contribute to the discussion due to the lack of information (for confidentiality reasons) that has been provided in the consultation.

We do not foresee any value in reviewing the CDCM/EDCM charging boundary definition at this time. During the development of the CDCM and EDCM, the industry working group spent a lot of time debating the most suitable boundary between site specific charging and charging on average tariffs. At that time, one of Ofgem's criteria was to have a clearly defined boundary, so there would be no opportunity for subjective judgements to be made on whether a site should be charged using the CDCM or EDCM. It is a consequence of the EDCM's site specific approach and the CDCM's average tariffs that there will be 'winners' and 'losers' that are connected near to the boundary.

In response to your request for information in relation to the number of sites connected at 132kV/11kV (and similar categories) across UK Power Networks' three regions, we have a total of 15 sites. These sites are all Designated EHV Properties and are charged using the EDCM. A list of the sites is provided in Appendix 1.

I trust that the information we have provided is sufficient. Should you have any questions or queries, please contact Oliver Day on 01293 657880.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Hutton', written over a light blue horizontal line.

Keith Hutton  
Head of Regulation  
UK Power Networks

Copy Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks  
Erroll Marjoram, Head of Income Management, UK Power Networks  
Oliver Day, Income Pricing Manager, UK Power Networks