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Andy MacFaul Office of Gas and Electricity Markets 9 Millbank London SW1P 3GE

24 June 2014

Dear Andy

Consultation on Ofgem's financial penalties and consumer redress policy statement

Thank you for the opportunity to comment on Ofgem's draft policy statement. I am writing on behalf of each of Northern Powergrid Holdings Company and its two licensed electricity distribution businesses, Northern Powergrid (Northeast) Limited and Northern Powergrid (Yorkshire) plc.

We fully support the objectives behind Ofgem's policy and the proposed process mechanics. Notwithstanding this, we believe it would be helpful if the section of the document on the interaction between financial penalties under S27A of the Electricity Act 1989 ("the Act") and redress under S27G of the Act could be expanded to include the interaction of both with enforcement action under S25 of the Act. In particular, it would be helpful for Ofgem to explain how, for example, the making of a redress order in respect of a contravention of a relevant condition or requirement is to be reconciled with the exclusivity of enforcement action under S25 as a remedy for contravention of a relevant condition or requirement that is clearly referenced in subsection 25(3)(b) of the Act.

I hope that you will find these comments helpful.

Yours sincerely

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T H SHARP Regulation Manager