

Company Secretary Northern Powergrid (Yorkshire) plc Lloyds Court 78 Grey Street Newcastle Upon Tyne NE1 6AF

Direct Dial: 020 7901 7000

Email: Frances.Warburton@ofgem.gov.uk

Date: 7 April 2016

cc: John France by e-mail

Dear Company Secretary,

Consent to Northern Powergrid (Yorkshire) plc under Standard Licence Condition (SLC) 14.2 of the Electricity Distribution Licence not to comply with the approved Charging Methodology in preparing Use of System Charging Statements for 2016/17 and 2017/18

In a letter dated 8 March 2016, you set out the background to an error in the application of the Charging Methodology for Northern Powergrid (Yorkshire) plc, and proposed that you correct the error when you next set charges (i.e. the charges that will apply from 1 April 2018).

We agree that the errors in the charges are *de minimis* and so amendments within the charging year would not be in the interest of consumers. It should be noted that it is important that good quality assurance procedures are put in place to prevent such errors from happening in the future.

In accordance with SLC 14.2 we consent to the proposal in your letter dated 23 March 2016 that you apply the 2016/17 and 2017/18 charges for Northern Powergrid (Yorkshire) plc as published although they do not strictly comply with the approved Charging Methodology.

This constitutes the reasons for our decision under section 49A of the Electricity Act 1989.

If you have any questions concerning this Consent please contact my colleague Lynda Carroll (Lynda.Carroll@ofgem.gov.uk / 0141 331 6038).

Yours sincerely,

**Frances Warburton** 

Partner, Energy System Integration

For and on behalf of the Gas and Electricity Markets Authority