

Grant McEachran
The Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

18 July 2016

Dear Grant

RIIO-ED1: Notices under Section 11A(2) of the Electricity Act 1989

This letter and the attachment to it constitute the response of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc to the notices published by the Gas and Electricity Markets Authority (GEMA) under section 11A(2) of the Electricity Act 1989 on 17 December 2014 relating to proposed modifications to the special (charge restriction) conditions of the electricity distribution, which seek to give effect to GEMA's methodology for the process for assessing company performance as part of the close-out of the DPCR5 period.

Northern Powergrid took an active role in the policy and licence drafting working group discussions that preceded the publication of the notices, and also responded to the informal consultations on the topic.

The attachment to this letter contains some further comments on the licence drafting. These comments relate to the technical method by which the proposed licence modifications seek to implement the policy decisions GEMA has already taken. This should not be taken to imply acquiescence or otherwise to the substantive decisions taken during the consultation process, any decision GEMA may ultimately take to proceed with the proposed licence modifications, or any decision GEMA may ultimately take based on the methodology.

Northern Powergrid has not repeated points or arguments that it has made previously in relation to the substantive proposals, notwithstanding that it considers those points remain valid, since our understanding is that it is not the purpose of this consultation to further debate the substantive proposals, and since (in any case) those points have already been provided to GEMA. If this does not accord with GEMA's understanding, however, then we can provide such points and arguments as necessary.

I hope that you will find these comments helpful. If you should require anything further in relation to them, please do not hesitate to contact me.

Yours sincerely

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

John France
Regulation Director

NORTHERN POWERGRID

is the trading name of Northern Powergrid (Northeast) Ltd (Registered No: 2906593) and Northern Powergrid (Yorkshire) plc (Registered No: 4112320)

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