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Direct Dial: 020 7901 7159
Email: Andy.Burgess@ofgem.gov.uk

Date: 30 August 2013

Dear Franck,

Decision on request for a third party to raise a DCUSA modification

We received an e-mail from Electralink on 25 June 2013, requesting our approval for you to raise a Distribution Connection Use of System Agreement (DCUSA) modification proposal. This would be to remove LRIC/FCP-based charges from the EHV Distribution Charging Methodology (EDCM).

As you are aware, DCUSA charging methodology changes may be proposed by any person whose interests are materially affected by the relevant charging methodology;¹ DCUSA provides for such parties to raise proposals if designated in writing by us.²

As set out in our email of 15 July 2013, it is not clear that you are materially affected. We sought further information on which parties would be materially affected, and whether (and in what capacity) you represent them.

You commented on our request for further information in your note to the July meeting of the Methodologies Issues Group (MIG). Having reviewed the information in your note, we are still not satisfied that you are materially affected by the relevant charging methodology.

Our decision is based upon the requirements that we have to consider. It is not a reflection of our views on a potential proposal, and we are not averse to this issue being considered. However, we note that the potential proposal would be a major change to the EDCM, and a significant deviation from policy decisions of the past several years. In addition, we would need to understand the full impact of the proposal.

If you wish to pursue this issue, there are routes available -

- A customer that does pay a LRIC/FCP-based EDCM charge could seek our permission to raise this modification proposal, and you could act as that customer's agent.

¹ Standard Condition 22A.18 of the electricity distribution licence sets out that "Proposals for modifying a Relevant Charging Methodology ("a modification proposal") may be raised by:


(a) any Authorised Electricity Operator; or
(b) any other person whose interests are materially affected by the Relevant Charging Methodology ..."

² Clause 10.2 of DCUSA sets out that: "A Change Proposal may be made by any of the following: ...
10.2.4 any person or body that may from time to time be designated in writing by the Authority for the purpose of this Clause 10.2 (which may include, in respect of a Charging Methodology, any person whose interests are materially affected by that Charging Methodology); ..."

- A DCUSA party could raise the proposal. We understand that you are discussing the issue further with members of the MIG.

I understand that my colleagues are involved in discussions of this proposal at the MIG. If you would like to meet them separately to discuss this, or any other, matter please contact Iain Morgan (Iain.Morgan@Ofgem.gov.uk, 020 7901 7030).

Yours sincerely,

A handwritten signature in blue ink that reads "Andy Burgess". The signature is written in a cursive style with a period at the end.

Andy Burgess
Associate Partner, Transmission and Distribution Policy