

Electricity North West

304 Bridgewater Place, Birchwood Park,
Warrington, Cheshire WA3 6XG

Telephone: +44 (0) 1925 846999

Fax: +44 (0) 1925 846991

Email: enquiries@enwl.co.uk

Web: www.enwl.co.uk

23 December 2013

Hannah Nixon
Partner – Distribution
The Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Dear Hannah,

Notice under SLC 14.11

This letter constitutes a notice under SLC 14.11 of our distribution licence, setting out our proposals to amend Use of System charges from 1 April 2014. We do not propose to change any of the assumptions which underpin these charges. We have also written to Suppliers to provide notice of the change to Use of System charges in accordance with clause 19.1 of the Distribution, Connection Use of System Agreement (DCUSA). As a result of this notice and the letter, the Use of System charges issued alongside this letter have a final status and will not be subject to further amendments.

We are providing 3 months notice of final tariffs to assist Suppliers and customers by removing an element of unpredictability in Use of System charges. We recognise that this has been an issue in the past and that on occasion there have been large tariff movements between indicative and final tariffs which have been difficult for Suppliers to anticipate. We hope that this increased certainty will be beneficial to all our stakeholders.

We would like to bring to your attention that the charges for 2014/15 contain a £5 discount for domestic customers that has been applied by reducing the fixed charge calculated in accordance with the CDCM model by 1.37p/day. This reduction has been applied outside the charging methodology and consent has been received from the Authority for this. However, it should be noted that the fixed charge element of the domestic tariffs in the charging statement will not match the value in the CDCM model due to the application of the £5 discount taking place outside the charging methodology.

We are also providing 15 months notice to amend the timebands for our half hourly tariffs. This change affects the red/amber/green, black/yellow/green and super-red timebands. A copy of the new timebands are contained in Appendix 1 and the 15 month notice is provided within the Use of System Charging Statement.

A summary of the impact of these charges on the typical bill for LV and HV demand customers can be seen in Appendix 2. The average price increase for these customers is 7.8%. The average increase for EHV demand customers is higher at 22.2% and this is driven by the increased valuation of our EHV assets which we signalled to Suppliers in our Annual Review Pack last year. There is a range of impacts around this average and we will liaise with our EHV customers on an individual basis to help them understand why their prices have increased and what actions they can take to mitigate this increase.

This letter also provides 3 months notice under Part VII, clause 33.4 of the Master Registration Agreement to amend our Metering Point Administration Services.

There are 5 enclosures that accompany this notice:

1. Tariff change letter
2. Use of System Charging Statement
3. Schedule of Charges summary spreadsheet
4. Tariff Movement Explanation spreadsheet
5. Statement of charges for Metering Point Administration Services.

The latest CDCM pricing model and Annual Review Pack plus the attachments listed above are available on our website at the following address:

<http://www.enwl.co.uk/our-services/use-of-system-charges>

Charges for miscellaneous services and legacy meter asset provision will be published in February 2014 in accordance with the requirement of 19.1 of DCSUA to provide 40 days notice.

Please direct any queries regarding these charges to the following email address:

electricitycommercialpolicy@enwl.co.uk.

A copy of this notice will be sent to all suppliers.

Yours sincerely



Tony McEntee
Head of Customer Contracts & Supplier Liaison

Appendix 1: New Timebands to take affect from 1 April 2015

(i) Red/Amber/Green Timebands

2015/16		
	WD (incl. bank holidays)	WE
Red	16:00 to 19:00	
Amber	09:00 to 16:00	16:00 to 19:00
	19:00 to 20:30	
Green	00:00 to 09:00	00:00 to 16:00
	20:30 to 24:00	19:00 to 24:00

(ii) Black/Yellow/Green Timebands

	2015/16 Nov to Feb		2015/16 Mar to Oct	
	WD (incl. bank holidays)	WE	WD (incl. bank holidays)	WE
Black	16:00 to 19:00			
Yellow	09:00 to 16:00	16:00 to 19:00	09:00 to 20:30	16:00 to 19:00
	19:00 to 20:30			
Green	00:00 to 09:00	00:00 to 16:00	00:00 to 09:00	00:00 to 16:00
	20:30 to 24:00	19:00 to 24:00	20:30 to 24:00	19:00 to 24:00

(iii) Super-Red Timeband (for Extra High Voltage customers)

2015/16 Nov to Feb		
	WD (incl. bank holidays)	WE
Super-Red	16:00 to 19:00	

Appendix 2: Change in Use of System Charges

The table below shows the absolute and percentage change expected for HV and LV demand customers based on a typical bill. The 2013/14 typical bill is based on the CDCM rates from 2013/14 multiplied by the 2014/15 volume forecast. This enables a like for like comparison.

Tariff	Average Bill 2013/14	Average Bill 2014/15	Variance (£)	% Change
Domestic Unrestricted ¹	£119	£124	£5	4.3%
Domestic Two Rate ¹	£126	£131	£5	3.6%
Domestic Off Peak (related MPAN)	£13	£14	£1	9.2%
Small Non Domestic Unrestricted	£365	£403	£37	10.3%
Small Non Domestic Two Rate	£500	£544	£44	8.8%
Small Non Domestic Off Peak (related MPAN)	£17	£16	-£1	-2.0%
LV Medium Non-Domestic	£2,303	£2,529	£227	9.8%
LV Sub Medium Non-Domestic	£2,315	£2,584	£269	11.6%
HV Medium Non-Domestic	£2,942	£3,261	£319	10.8%
LV HH Metered	£6,251	£7,137	£886	14.2%
LV Sub HH Metered	£13,396	£15,319	£1,923	14.4%
HV HH Metered	£33,975	£38,269	£4,294	12.6%
NHH UMS category A	£3,626	£3,984	£357	9.9%
NHH UMS category B	£1,069	£1,173	£104	9.7%
NHH UMS category C	£39	£45	£5	13.0%
NHH UMS category D ²	£0	£0	£0	-
LV UMS (Pseudo HH Metered)	£391,446	£433,813	£42,367	10.8%

¹ The typical bill for the domestic tariffs excludes the £5 discount. Once the discount is applied these customers will not receive a price increase.

² There are currently no customers on this tariff