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1<sup>st</sup> October 2010

Dear Bob,

### **DNPC08 – Review of Standard LDZ System Charges**

RWEnpower welcomes the opportunity to comment on these proposals. This response is provided on behalf of the RWE group of companies, including RWE Npower plc, RWE Supply and Trading GmbH and RWE Npower Renewables Limited, a fully owned subsidiary of RWE Innogy GmbH.

In general we support proposals to move to more cost reflective charges. We feel however that the proposals do not give rise to cost reflective charges due to the fact that they are based on a snapshot of data from only a sample of the customers connected.

Any changes to charges, especially changes to the structure, have the potential to lead to required system changes which may be expensive for the industry to implement. We have concerns that the cost of these will ultimately be levied on end users and result in increases in charges across the industry.

We welcome that the gas DNs have taken on board comments from the industry regarding the proposed implementation date and hence have amended this from April 2011 as originally proposed in the draft consultation document. However, this is only of benefit to the industry if decisions are made with sufficient lead times for suppliers to adjust tariffs in customer's contracts. Without these lead time suppliers are likely to have to factor in additional risk premium into customer tariffs, hence increasing the cost of transportation to the end user.

Please feel free to contact me if you wish to discuss this response in more detail.

Yours sincerely,

By email so unsigned

Rachel Fowler,  
Forecasting Senior Analyst- Network Charges

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