

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

22 December 2014

Dear Sir/Madam,

Re: Use of System charges to apply from 1st April 2015

In accordance with clause 19.1 of the Distribution, Connection Use of System Agreement (DCUSA), this letter provides prior notice of a change to our Use of System Charges to take effect on the 1st April 2015. We have also provided notice under Standard Licence Condition 14.11 of our distribution licence to the Authority to change Use of System charges from 1st April 2015. As a result of this letter and the notice, 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 2015/16 contain an additional £5 charge for domestic customers. This additional charge recovers the £5 discount that was provided in 2014/15 and that brought forward the benefits of our RIIO business plan. The £5 increase will be applied from 1 April 2015 by increasing the fixed charge calculated in accordance with the Common Distribution Charging Methodology (CDCM) model by 1.37p/day. This increase 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 increase outside the charging methodology.

Last year, we provided 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 and will take effect from 1 April 2015. A schedule of the new timebands is contained in Appendix 1.

From 1 April 2015, most customers will see a substantial reduction in their Distribution Use of System charges. This is due to the reduction in our allowed revenue under our new RIIO business plan. The average price decrease for Low Voltage (LV) and High Voltage (HV)

demand customers is 22% and a summary of the impact of these charges by tariff can be seen in Appendix 2.

The Use of System charges from 1 April 2015 contain 2 new tariffs this year. The "LV Network Domestic" and "LV Network Non-Domestic, Non-CT" tariffs have been introduced to enable all customers to have the option to be settled on a half hourly basis and receive a time of use tariff once they have half hourly capable metering installed. However, it should be noted that although these tariffs are published from 1 April 2015, they will not be available for use until the appropriate measurement classes have been set up by Elexon within Settlements. This is expected to happen around November 2015.

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. Notice to the Authority to amend Use of System charges from 1st April 2015
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 2015 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.

Yours faithfully


Rob O'Malley
Head of Strategic Planning

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

(i) Red/Amber/Green Timebands

2015/16		
	Weekdays (incl. bank holidays)	Weekends
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	
	Weekdays (incl. bank holidays)	Weekends	Weekdays (incl. bank holidays)	Weekends
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		
	Weekdays (incl. bank holidays)	Weekends
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 2014/15 typical bill is based on the CDCM rates from 2014/15 multiplied by the 2015/16 volume forecast. This enables a like for like comparison.

Tariff	Average Bill 2014/15	Average Bill 2015/16	Variance (£)	% Change
Domestic Unrestricted ¹	£104	£91	-£13	-12.5%
Domestic Two Rate ¹	£115	£96	-£19	-16.9%
Domestic Off Peak (related MPAN)	£12	£9	-£3	-22.6%
Small Non Domestic Unrestricted	£379	£288	-£92	-24.2%
Small Non Domestic Two Rate	£525	£393	-£131	-25.0%
Small Non Domestic Off Peak (related MPAN)	£14	£11	-£4	-24.7%
LV Medium Non-Domestic	£2,404	£1,882	-£522	-21.7%
LV Sub Medium Non-Domestic	£2,506	£1,946	-£560	-22.3%
HV Medium Non-Domestic	£3,015	£2,191	-£823	-27.3%
LV Network Domestic ²	-	-	-	
LV Network Non-Domestic Non-CT ²	-	-	-	
LV Half Hourly Metered	£8,167	£6,115	-£2,052	-25.1%
LV Sub Half Hourly Metered	£18,188	£12,001	-£6,187	-34.0%
HV Half Hourly Metered	£45,789	£28,609	-£17,180	-37.5%
Non Half Hourly Unmetered Supplies – Continuous	£4,796	£4,779	-£18	-0.4%
Non Half Hourly Unmetered Supplies – Dusk to Dawn	£1,439	£1,374	-£65	-4.5%
Non Half Hourly Unmetered Supplies – Part Night	£425	£394	-£30	-7.2%
Non Half Hourly Unmetered Supplies – Dawn to Dusk ²	-	-	-	
LV Unmetered Supplies (Pseudo Half Hourly Metered)	£515,023	£408,236	-£106,787	-20.7%

¹ The typical bill for the domestic tariffs includes the £5 discount in 2014/15 and its recovery in 2015/16.

² There are currently no customers on this tariff