

Company Secretary Western Power Distribution Avonbank Feeder Road Bristol BS2 0TB

Direct Dial: 020 7901 2724

Email: maxine.frerk@ofgem.gov.uk

Date: 1 August 2014

Dear Sir/Madam,

Consent to Western Power Distribution under Standard Licence Condition (SLC) 14.2(a) of the Electricity Distribution Licence not to comply with the approved Charging Methodology in preparing the Use of System Charging Statements for 2016-17

In accordance with SLC 14.2(a) we consent to the proposal in your letter dated 30 July 2014 to not comply with the approved Charging Methodology in preparing the Use of System Charging Statements for 2016-17.

On 16 January 2014 we consented to you not complying with the approved Charging Methodology in preparing the Use of System Charging Statements for 2014-15 and 2015-16. This was to enable you to add an annex to your Charging Statement that facilitated you bringing forward to 2014-15 a £5 reduction in charges to domestic customers as highlighted by the government's announcement of 2 December 2013, and to recover the same amount in the following year.

You have informed us that you will recover the amount in 2016-17, rather than 2015-16.

This consent, dated 1 August 2014, is to enable you to modify your 2016-17 Use of System Charging Statement in order to recover the under-recovered revenue from 2014-15 from the same classes of customer as you applied the reduction to in 2014-15.

In light of this consent to enable you to modify your 2016-17 Use of System Charging Statement we withdraw our consent to your proposal to not comply with the approved Charging Methodology in preparing the Use of System Charging Statements for 2015-16.

Yours sincerely

Maxine Frerk

Senior Partner - SG&G: Distribution