

Cc Jane Jellis

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Anna Rossington
Head of RIIO, ED1
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Our ref

Your ref

Date

30 July 2014

Dear Anna

Request for amended consent for Recovery of £5 Rebate in 2015/16

Further to the telephone call with Dave Wornell and myself, on 21 July and my emails of 22 July and 30 July, and my conversation with Jane Jellis last Thursday, I am writing with regard to the attached consent letter. As discussed the Consent letter no longer reflects Ofgem's expectation of the recovery of the £5 rebate. We have therefore requested a revised consent letter.

1. You confirmed that Ofgem is now expecting WPD to recover the £5 rebate from domestic customers in 16/17 via the k factor.
2. The existing consent letter (attached) is to price outside the CDCM methodology in 14/15 and 15/16. This was reflected in our DCP066A which we have published for suppliers as required under the consent. This includes the £5 rebate recovery in 15/16.
3. We are willing to withdraw our request for a modification to CRC2A to allow recovery in 15/16. However in order to include the £5 recovery in 16/17 we need a revised consent letter which replaces 15/16 with 16/17. This allows us to increase the fixed charge to domestic customers outside the CDCM. Please note that without a revised consent letter allowing us to price outside the CDCM in 16/17 we will have to reverse the £5 rebate across all customers.
4. We will also need to advise suppliers of the change at our next DCP066A as they are expecting recovery in 15/16.
5. Our next DCP066A notification is 5th August.

Therefore we have requested the revised consent letter by 4th August.

I look forward to hearing from you as a matter of urgency.

Yours sincerely

A handwritten signature in black ink, appearing to be 'AS', written in a cursive style.

ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager