

Modification Proposal UU/2008/002.1

We enclose the following comments for your attention.

The market

At present, there appears to be little competition in the offering of adoption payments in the electrical competitive connections market. The impression is that this appears to be due to the seemingly low level of payments being offered by licensed distribution network operators. The nett result is that end clients are losing out and the UU proposals present the possibility of a significant improvement in the situation

Level of Proposed Payment

We note that the levels of payments being proposed are in the region of double the TSA's withdrawn in 2005. However, when viewed in comparison with the level of payments available in the gas connections market, these payments appear to represent a considerably lower percentage of the construction costs than in the corresponding gas connections market.

We would also suggest that the proposed payment for HV circuitry should be payable for all HV circuitry rather than being limited to only those circuits laid back to a primary sub-station as currently proposed. (examples in Appendix D and E)

Summary

We are in favour of the proposed modification proposal as we see the increased levels of payment reducing the costs to the end. In addition it is important that there should be a consistent, transparent process across all DNO's with published rates to minimise further problems with the current administrative nightmare for those developers and constructors working in different DNO areas.

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26.09.07