

Representation - Draft Modification Report 0551

Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015

Responses invited by: **05 November 2015**

To: enquiries@gasgovernance.co.uk

Representative:	Colette Baldwin
Organisation:	E.ON
Date of Representation:	28 th October 2015
Support or oppose implementation?	Support
Relevant Objective:	d) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Ratchet charges are used to incentivise customers to book the correct capacity at a site, so that the networks have an accurate forecast of required capacity and can manage demand on the network for the benefit of all customers. Modification 428 was not introduced to address any concerns that aggregated customers were underestimating their overall site's capacity needs (causing problems for the networks), but to facilitate the replacement of UK Link Systems which required a single meter to be associated to a supply point.

This modification addresses customer concerns that for previously aggregated sites, while they have taken reasonable steps to break down the capacity requirements at a meter point level for the first time, historic information may be unreliable in helping a customer accurately predict their future meter point level capacity requirements. It offers a time-limited safety net for customer's whose overall capacity hasn't changed post disaggregation, but may have been inaccurately apportioned across their meter points following the disaggregation. This is a sensible short-term safeguard to protect customers from an unintentional penalty where overall capacity remains unchanged.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We agree with the proposer's view that the modification should apply from 1st October 2015 – as this is the first winter period following mandatory disaggregation.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

No implementation costs arise from the modification itself, and process costs would only be incurred if the circumstances envisaged in the modification occurred and a refund

became due. As the circumstances that give rise to the protection are unpredictable – so are the costs.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No

Please provide below any additional analysis or information to support your representation