

Further Consultation Representation

Final Modification Reports

0395 0398: Limitation on Retrospective Invoicing and Invoice Correction

Consultation close out date: 10 July 2012

Respond to: enquiries@gasgovernance.co.uk

Organisation: **RWEnpower**

Representative: Edward Hunter

Date of Representation: 09 July 2012

*Please provide comments on the revised Final Modification Reports available at:
www.gasgovernance.co.uk/03950398*

Do you support or oppose implementation?

0395 Not in Support

0398 Support

Please make clear any differences you perceive between 0395 and 0398.

Reconciliation is driven by a need to ensure that costs are accurate and underpinned by various operational and Industry processes. With any large amount of data, inaccuracies or errors are inevitable and ensuring that suppliers get a fair opportunity to remedy these is of benefit to suppliers and protects the integrity of industry data.

In light of this RWEnpower believes that UNC Modification 398, the (3 – 4 year solution) represents the more suitable modification. It is an improvement to Industry timescales for settlement and aligns more appropriately with current industry meter reading requirements.

On the other hand UNC Modification 395 would reduce the settlement reconciliation window enough to require a significant change to meter read frequency to enable earlier identification of errors. This is a cost that would be borne by the customer. Whilst at first sight the objective of the proposed Modification is desirable, it is preferable that these enduring benefits are delivered as part of the smart metering programme across the industry in the future.

Do you have any comments or issues you wish to record against the additional Workgroup considerations?

0395/0398
Representation

10 July 2012

Version 1.0

Page 1 of 2

© 2012 all rights reserved

In principle RWEpower recognises the benefits associated with shortening the reconciliation window. Consumer benefit may be derived by a supplier crystallizing its costs earlier, if a reduction in any risk premia is possible. However, we remain unconvinced about the magnitude of the benefit when other effects such as errors in the allocation of gas are taken into account.

Do you have any further information that can be provided in response to Ofgem's questions?

Please refer to Section 12 of Final Modification Report

It may be advisable to review the situation once Suppliers have started deploying smart meters.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No