



Modification 0551 - Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015

27th August 2015



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- **Mod 0428 (GE raised 428A) to create Single Meter Supply Points**
 - Circa 90,000 MPRN's affected
- **Suppliers had until 1st July to reconfirm**
 - Xoserve acknowledged delays in referral process - impacted time available
 - Circa 1,200 outstanding as at 23rd July 2015
- **Most of the aggregations (97%) have existed prior to 2000 (>15 years)**
 - Customers have had a short window to determine meter specific consumption data on diverse sites using downstream networks
 - Some customers have not engaged or been engaged and are subject to Xoserve default process
- **Customers have already been hit by significant additional costs following disaggregation (GE customer impact is circa >£1.5m)**
- **We propose a Transitional (1 year) “soft landing” period for those customers affected by this step change in arrangements**

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- **Although not interdependent 0428 was proposed to align with Nexus Go Live**
 - **To avoid creation of new SSP sites adding to RBD**
 - **Align with introduction of customers Classes**
- **However Nexus deferral has left 0428 as a standalone proposal**
 - **Under 0428 any Single Metered Supply Point moving from Class 4 or 3 to Class 1 or 2 is afforded a 12m soft landing from Ratchet Charges**
- **We have waited until the close of the window for carrying out changes to raise the proposal to avoid any risk of parties relying on this modification**
- **This means that we only have a relatively short window to progress if we are to provide customers with transitional protection for this Winter**
- **We believe this proposal provides appropriate protection for customers who are being subject to a “step change” in arrangements and provides a “soft landing” for Winter 2015/16**

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Points to address from panel (20th August)

- A plain English definition of what a Ratchet is

A ratchet is a commercial penalty charge applied to any daily metered meter point (MPRN) which during the Winter Period (October to May) exceeds its agreed Daily Capacity (SOQ). This commercial penalty exists to deter parties from setting their daily capacity requirements below what is actually needed during the Winter.

- Change definition of end of Winter 2015/16 to End of May-16

AGREE - To be corrected in next version

- Try to have a clear definition of affected sites

“Any Multi Metered Supply Point that existed as at the 1st January 2015 and which was subsequently reconfirmed as a Daily Metered Single Metered Supply Point”

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Points to address from WWU email (20th August)

- Suggest we change reference in Mod from “best endeavours” to “reasonable endeavours” - AGREE



Any Questions?