

## Representation - Draft Modification Report UNC 0840 (Urgent) Equalisation of prepayment and non-prepayment AUG factors

Responses invited by: **5pm on 13 March 2023**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

*Please note submission of your representation confirms your consent for publication/circulation.*

<b>Representative:</b>	Clare Manning
<b>Organisation:</b>	E.ON Group
<b>Date of Representation:</b>	10/03/2023
<b>Support or oppose implementation?</b>	Oppose
<b>Relevant Objective:</b>	<b>d) Negative</b>

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

We recognise what the sponsor is trying to achieve with this modification and we support the intent of protecting vulnerable consumers but we do not believe the proposal is delivering that as the solution. Our reasons for this are as follows:

- 1) The issue is not the data, it is the outcome and how it 'could' be passed through to consumers. We believe the Suppliers (either as a single Shipper & Supplier or a separate Shipper and Supplier) can choose how they reflect the weightings in their pricing, there is no direct link between the UNC and the REC to regulate how these charges are being passed through so changing or softening the weighting doesn't stop that from occurring. For this protection a REC change would be required.
- 2) We do not want to degrade the view of the independent expert and make the methodology fit the answer. The data needs to be a true and accurate reflection which happens to be a larger single meter type proportion, this however could so easily switch next year.

The modification is silent on the details for the additional process to equalise the allocation factors and proposes to leave this to the AUG. This would be left open to challenge, risks the possibility of some UIG not being shared out and is not following either the data or methodology previously approved.

We do recommend the AUG continues to ensure they follow the weighting factor review process as contractually agreed and also ensure that no stone is left unturned.

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

We do not support the implementation but if approved it would require minimal time if the factors can be issued on the usual timeline, however, if later then we'd require a couple of weeks to update the new factors in the systems and processes.

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

To implement the factors it would be standard IT costs, but the methodology impacts could be significant depending on our functions and proportions, we have been unable to complete a full assessment at this time due to the urgent nature of the modification.

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

No comments.

**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.*

The "how" section and the Solution are not consistent with each other.

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

No comments.