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Response to UNC Modification Proposals 0186 & 0186A : Provision of Cost Information

Dear Tim

Both proposals seek to codify what has already been agreed via Review Group 0162 i.e. the voluntary provision of cost information by the GDN's. Although E.ON UK welcomes both proposals, we feel that 0186A is limiting in that it restricts the period to the forthcoming Distribution Network Price Control.

It is our understanding that the intent of Review Group 0162 and any subsequent Modification Proposals were aimed at improving the ability of shippers/suppliers to gauge where the direction of charges were heading and make high level plans accordingly. It is not the intention to hold GDN's to any specific figures, indeed both proposals plainly state that any information provided is done so on the basis that GDN's will not be held accountable for errors or omissions. It is up to shippers to make judgements as to how they use the information, both for the forthcoming and subsequent price control periods.

We understand why GDN's would not be in possession of all the information required to give a firm view on charges beyond the five year period, however they are likely to be in a reasonably good position of knowing the broad parameters that would influence charges for future periods. This includes any aspects that could result in changes to charging methodologies.

Modification Proposal 0186 establishes a principle whereby GDN's will provide information on an ongoing basis without the need to re-visit the relevant governance rules/processes on a predetermined regular basis, thus providing a more efficient governance process.



E.ON believes that Modification Proposal 0186 would better facilitate the following relevant objectives of the Transporters licence:

Standard Condition 11a

- The securing of effective competition between relevant shippers and relevant suppliers
- The promotion of efficiency in the implementation and administration of the uniform network code.

Standard Condition 4a

The charging methodology for GDN's to recover their allowed revenue from system users is governed by obligations set out under standard condition 4A of the Transporters licence. Modification Proposal 0186 may help shippers to forecast changes to these charge methodologies which themselves may not align with specific price control periods.

Therefore E.ON UK supports Modification Proposal 0186 but does not support Modification Proposal 0186A.

Yours sincerely

Brian Durber (by email)
Retail Regulation