

**Workgroup Consultation Response Proforma****CMP408: Allowing consideration of a different notice period for BSUoS tariff settings**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) by **5pm on 22 May 2023**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Claire Goult [claire.goult@nationalgrideso.com](mailto:claire.goult@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details
<b>Respondent name:</b>	Simon Vicary
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**I wish my response to be:**

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

*Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.*

**For reference the Applicable CUSC (charging) Objectives are:**

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency \*; and*



- e. *Promoting efficiency in the implementation and administration of the system charging methodology.*

*\*The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.*

**Please express your views in the right-hand side of the table below, including your rationale.**

Standard Workgroup Consultation questions		
1	Do you believe that CMP408 Original Proposal better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the original solution better facilitates:</p> <p>Original      <input type="checkbox"/>A    <input type="checkbox"/>B    <input type="checkbox"/>C    <input type="checkbox"/>D    <input type="checkbox"/>E</p> <p>We do not consider that the Original proposal better facilitates any of CUSC (charging) Objectives as it is worse than the current baseline.</p>
2	Do you support the proposed implementation approach?	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>Implementation should only impact future tariff setting not undo any that have already been published.</p>
3	Do you have any other comments?	Click or tap here to enter text.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>Click or tap here to enter text.</p>

Specific Workgroup Consultation questions		
5	What notice period for the BSUoS tariff do you feel is appropriate? Please provide the rationale for your response.	<p>We believe that 15-month combined fixed and notice period remains the most appropriate combination.</p> <p>We think that the current baseline, of 9 months notice of a 6 month fix, is more appropriate than this proposal.</p>
6	Do you believe that the 15-month combined fixed and notice period remains appropriate and that the fixed period of the BSUoS tariff also needs to be changed? Please	<p>We note that in their decision letter of 15<sup>th</sup> December 2022, Ofgem state that “<i>the extent of the consumer benefit is likely linked to the duration of the Fixed Period – where NGESO publishes a BSUoS tariff which is likely to be in place for 12 months</i>”. The CMP408 proposal undermines this by reducing the combined fixed and notice period to only 9 months.</p>



	provide the rationale for your response.	<p>We believe that a 15-month combined fixed and notice period remains most appropriate and would like to see BSUoS fixed with the current combination at P90 (i.e. 1 in 10).</p> <p>However, we recognise that the ESO currently has a limit on their finances that prevent setting at P90 and consideration of other options to achieve this is out of the CMP408 scope.</p>
7	Do you agree that the implementation of the tariff introduced by CMP408 (if approved for implementation on 1 <sup>st</sup> April 2024) should supercede any prior tariff set in the current 9-month notice period? Please provide the rationale for your response.	<p>No, we disagree.</p> <p>The risk of this happening would undermine consumer and supplier confidence, probably leading to the inclusion of additional risk premiums resulting in additional costs to consumers that could otherwise be avoided.</p> <p>If Ofgem were to approve the CMP408 change then the implementation should only impact future tariff setting not undo any that have already been published.</p>