

CMP260 – ‘TNUoS Demand charges for 2016/17 during the implementation of P272 following approval of P322 and CMP247’



CUSC Panel – 29 April 2016
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Background

- CMP260 was raised by Npower and was submitted to the CUSC Modifications Panel for their consideration on 29 January 2016.
- CMP260 seeks to give the option for metering systems that are registered on Measurement Class E-G on or before 01/04/2016 to be treated as HH for the purposes of calculating the actual annual liability up until the full charging year after the implementation date of P272.

Workgroup Consultation

- Five responses were received to the Consultation and were considered by the Workgroup.
- Four out of the five responses were supportive of the modification as they felt it contributed to effective competition by increasing options for customers, improved cost reflectivity and allowed customers to realise the benefit of load management activity at peak.
- The respondent which did not support the modification felt the proposal gave opportunity to game the lower TNUoS charging regime to the dis-benefit of other consumers and suppliers and it was unlikely customers as a whole would see any direct benefit of the change.

Proposed options

- One WACM was agreed by the Workgroup
 - **Original Proposal** – For meters registered as HH during 2015/16 Charging Year, Suppliers should have the option for those metering systems registered in Measurement Class E-G on or before 1/4/2016 to be treated as HH for Transmission Use of System (TNUoS) charging purposes
 - **WACM1** – Raised by EDF Energy applying the same principles as the Original with an increased window from April 2016 to September 2016

Workgroup Conclusions

- Terms of Reference have been met;

Scope of Work	Evidence in Workgroup Report
<i>a) Implementation</i>	Section 7
<i>b) Review draft legal text</i>	Annex 8 of
<i>c) Is the modification advantageous to certain customers?</i>	Section 3

- Proposed legal text agreed by the Workgroup.
- One Workgroup member voted baseline as better facilitating the applicable CUSC objectives, two Workgroup members each voted the Original and 2 Workgroup members each voted that the WACM better facilitated the applicable CUSC objectives.
- The Workgroup have outlined implementation options within Section 7 of the Workgroup Report. Ofgem expected to make a determination within the modification decision letter currently expected in July 2016.

Proposed CUSC Modification

- This Proposal seeks to amend;
 - CUSC Section 14 – Charging Methodology

Next Steps

- The Panel is invited to:
 - Accept the Workgroup Report
 - Agree for CMP260 to progress to Code Administrator Consultation

Proposed Timetable

29 April 2016	Workgroup report presented to CUSC Panel
4 May 2016	Code Administrator Consultation issued (10 Working days)
18 May 2016	Consultation closes
19 May 2016	Draft FMR published for industry comment (1 Working day)
20 May 2016	Deadline for comments
23 May 2016	Draft FMR issued to Panel
27 May 2016	Panel Recommendation Vote
31 May 2016	Final FMR circulated for Panel comment
2 June 2016	Deadline for Panel comment
3 June 2016	Final report sent to Authority for decision
8 July 2016	Indicative Authority Decision due
22 July 2016	Implementation Date