

**Workgroup Consultation Response Proforma****CMP373 'Deferral of BSUoS billing error adjustment'**

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 **12pm on 4 May 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact Paul Mullen [paul.j.mullen@nationalgrideso.com](mailto:paul.j.mullen@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details
<b>Respondent name:</b>	Joe Dunn
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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, the Workgroup 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:**

- 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;*
- 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);*
- 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;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and*
- Promoting efficiency in the implementation and administration of the system charging methodology.*

*\*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

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

Standard Workgroup Consultation questions		
1	Do you believe that the CMP373 Original Proposal better facilitates the Applicable Objectives?	Yes, we believe that the CMP373 Original Proposal better facilitates Objective (a) (effective competition) since it will avoid industry parties being unfairly advantaged or penalised as a result of the error. In particular, CMP373 will allow for the costs to be reflected in the Default Tariff Cap methodology, which would have been the case if the error had not occurred.
2	Do you support the proposed implementation approach?	Yes, we feel the proposal provides a simple and transparent method for this cost to be applied. It allows for the cost to be treated by other parties as if the error had not occurred.
3	Do you have any other comments?	No
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No, we feel the proposal meets the objectives of simplicity and transparency and it enables suppliers to recover the cost as normal.
Modification Specific Workgroup Consultation questions		
5	Do you believe that it is more appropriate to recover the £33,163,790.21 of trading costs in the FY 2021/2022 Settlement Final (SF) Run? Please provide the rationale for your response?	We believe that it is more appropriate to recover these costs in FY 2021/2022 Settlement Final (SF) Run as this could then be captured in future Default Tariff Cap calculations.
6	Do you think that it is more important to socialise the costs across users in FY 2021/2022 or to	We think that for simplicity and transparency it is more important to socialise the costs across the recovery period in 2021/22. We believe that recovery of the cost through the Default Tariff Cap mechanism is key. If the error had not

	correctly target the liable users when the costs were incurred using the RF run? If not socialised do you have a proposal for how the Default Tariff Cap calculations would work? Please provide the rationale for your response.	occurred, then the costs would have been incorporated into the default tariff cap for Periods 6 and 7 (April 2021 to March 2022). The CMP373 proposal will allow the costs to be recovered in subsequent price cap periods.
7	Do you believe that the costs should be recovered from 1 October 2021 to 31 March 2022 (as per Original proposal) or 1 June 2021 to 31 March 2022 or using the default of the RF runs? Please provide the rationale for your response.	<p>We support a simple recovery over 1 October 2021 to 31 March 2022.</p> <p>We believe that the costs should be recovered through settlement final (SF) runs over 2021/22. If the cost was to be recovered through RF runs for 2020/21 this would penalise suppliers unfairly.</p>
8	Will the CMP373 Original Proposal or any of the potential alternative solutions impact your business and/or end consumers. If so, how?	<p>The CMP373 proposals will enable us to recover some of the relevant BSUoS costs through the Default Tariff Cap methodology for future periods. We believe that this is fair and reasonable as these costs would have been incorporated within the methodology if the error had not occurred.</p> <p>The proposal to recover the costs in 2021/22 will also enable us to properly reflect the cost in any Industrial &amp; Commercial contracts which 'pass through' BSUoS costs to the customer.</p>