

Actions from previous workgroup

“Consider feedback about methodology in TO Charging Statements not having same transparency/control as CUSC”

“Consider the differences in the charging statements and consider evidence required to justify economic and efficient spend”

To try and address these concerns we intend to step through the 3 distinct processes in turn and then discuss to what extent they can be improved in terms of transparency, controls and communication.

1. Charging Statement Process
2. Modification Application to Delay
3. Dispute Process

1. Charging Statement Process

- November early engagement between TOs
- TOs update documentation and submit to Ofgem for review and approval to publish in Dec/Jan
- Charging Statements published and become effective 1st April

High Level Comparison of TO's Charging Statement

NGET Covered under Delayed Delivery, Early Delivery and Deferred Use Charges in Part 3

Very detailed with two pages of example capital and non-capital costs and charge calculations using diagrams and formulae

Delayed Delivery: revised forecast spend minus the original forecast spend in current price base.

Early Delivery: forecast spend to deliver early minus the efficient spend for nominal delivery, in current price base

Deferred Use Charges: straight depreciation based charge for assets already delivered

SPT Covered under Delay Charges & Advanced Delivery Charges

Low on detail - Summarise as These charges reflects the incremental cost incurred as a result of a User's request irrespective of whether the cost can be capitalised.

SHET Covered under Other Charges - One-Off Works in Part 3

Low on detail – Summarised as The one-off works charge is a charge equal to the cost of the works involved, plus a reasonable return.

Questions:

- Can the TO's statements be aligned more closely? Can transparency/control be improved?

2. Modification Application to Delay (Or other changes may incur a charge)

- Customer notifies TO (via NGESO) of delay to connection date
- TOs apply delay charges as set out in Charging Statement
- TOs passes charge to ESO via TOCA (governed under STC) who perform high level validation
- ESO passes charge to Customer via BCA and CONSAG (governed under CUSC)

Questions:

- How can the process be improved?
- Can the communication be enhanced to give Customer greater awareness that there may be a charge?

3. Dispute Process

- Customer internally validates/reviews delay charge
- Trilateral discussion between Customer/TO/ESO regarding delay charge and any revisions made
- Customer agrees to delay charges OR charging dispute raised under CUSC section 7 and passed to Ofgem for deliberation

Questions:

- How can the process be improved?
- What evidence required/can be provided to justify economic and efficient spend?