

I note your letter of yesterday seeking comments. <https://www.ofgem.gov.uk/publications-and-updates/future-charging-and-access-programme-consultation-refined-residual-charging-banding-targeted-charging-review>

Banding of domestic customer which are E7 and not E7 is not going to be effective. The advent of smart meters (now 10m) is resulting the desired result of multi-tariffs that may reflect E7 or a myriad of time of day tariffs. The Ofgem endorsement of DCUSA DCP0268 earlier in the year reflects a sensible approach which does not distinguish between E7 and other tariffs. For many years now there have been customers who have traditional E7 metering installed, but they are charged the same rate day & night as the customer no longer has the off-peak load, but it avoids the need to visit and replace metering. So separating these customer is impractical.

The industry is planning to distinguish between domestic and non-domestic customers as part of the Faster Switching requirements. All Current Transformer (CT) connected customer already have an Available Capacity agreed.

Suggest a banding between:

- Whole current metering (up to 100amp 3 phase ~65kW) – split between domestic & non-domestic
- LV CT metering (up to 1200amp 3 phase ~1000kW)
- HV CT (over 1MW)
- EHV CT (larger)
- Transmission connected

The banding mentioned in your letter is not clear how the number of bands identified in your letter are defined. Annex 1 refers to NHH & HH distinction – this would be a foolish approach. DCUSA DCP0268 is already removing this differentiator. The Ofgem SCR on market wide HH settlement is progressively moving to HH settlement. DCP0268 is one of the many steps required to minimise any step changes to moving to HH settlement. There is no desire for the TCR to introduce more or to continue the differences between NHH & HH settlement. Where you have first two bullets as LV – NHH & LV – HH, I have LV whole current and LV CT. Then it does not matter whether NHH or HH.

Annex 1 then breaks these customers into various bans by consumption – this is simply not possible. The only parties that currently know the customer banding on this basis is the NHHDC & HHDC (and Supplier), but not the Distributor. So how would these bands be defined and applied?

Complex sites is an aspect I have been involved with since 1990. There will be some 'challenge' but these should all be able to be resolved.

I am deeply involved in the Unmetered customer arrangements. This customer group is very distinct and different from the Metered customers. Our company calculated the energy for about 80% of the unmetered customers so I can speak authority about the impact. In previous discussions within DCUSA I have driven change to ensure Unmetered customers are not unfairly penalised. Unmetered customers have an extreme range – from very large consumption MW, to tiny less than 100Watts, they also range from 100% load factor to a others at about 45% load factor. These extremes mean an 'averaging' can significantly impact the customers at the extremes.

I would be keen to participate in a more detailed discussion about the proposals particularly as they impact unmetered arrangements.

regards

