

Ms Bethany Hanna
Ofgem
9 Millbank
London SW1P 3GE

By email to: bethany.hanna@ofgem.gov.uk

3rd September 2014

Dear Ms Hanna

Consultation on a proposal to increase significantly the notification period for changes to Distribution Use of System Charges

I am writing on behalf of MEUC in response to your Consultation of 8th August.

On balance the MEUC believes that a longer notice period for changes in Distribution charges would be welcomed by consumers.

We believe that increasing the notice period for DUoS tariffs from 40 days to 15 months would benefit both Suppliers and Consumers.

Consumers have often complained that suppliers fail to inform them of charges in advance because of the short notice period so this would be an additional benefit.

Tariffs should be more predictable and transparent and there should be improved certainty over future short term DUoS charges. It might even lead to reductions in the charges some customers are forced to pay for the DUoS element in fixed price annual contracts.

Many DNOs are predicting their tariffs for the period 2015 - 2023 (subject to inflation indexing) so the improved transparency would be beneficial.

Those end users with pass-through contracts should benefit from being able to budget with greater certainty.

We appreciate that concern has been raised by at least one DNO about issues in relation to over/under recovery of allowed revenue arising because of the increased notice period but surely you should be able to deal with that under existing rules at your disposal.

Yours sincerely



Hugh Conway
On behalf of the MEUC