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Haven Power Limited  
The Havens  
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19 September 2014

Dear Ms Hanna,

**Re: Consultation on proposal DCP178 to increase the notice period for distribution use of system (DUoS) charges under DCUSA from 40 days to 15 months**

I am writing in response to the above consultation dated 8<sup>th</sup> of August 2014 to set out Haven Power Limited's responses to some of the questions that are set out in the document.

Haven Power Ltd ("Haven") is a non-domestic electricity supplier and has been part of the Drax Group plc. since 2009. We began supplying the SME (Small/Medium Enterprise) sector in 2007 and now have ~36,000 MPANs. In 2009, we entered the I&C (Industrial & Commercial) sector and have grown our customer base to ~7,500 MPANs.

As an independent non-domestic supplier, we strongly believe the benefits of implementing DCP178 far outweigh any risks and our response below demonstrates this.

We are happy for our response to be published.

Yours sincerely,

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**Q1: Do you agree with the working group's view that DCP178 would result in these benefits and costs?**

We agree with the working group's view that DCP178 would allow consumers and suppliers to budget more accurately for DUoS Charges. This would be particularly helpful to us as an independent supplier as we estimate prices could be 3% lower if there was no uncertainty in third party charges.

We also believe there will be scope for further innovation in the market with the development of additional products for consumers being possible due to the lower risk to suppliers.

We would like to see this type of approach to providing earlier certainty over future levels extended to other third party charges.

We appreciate that DCP178 may expose DNOs to penalties if they over or under recover against their allowed revenue to a greater extent than is currently allowed for in their licences. Setting prices 15 months in advance could increase the likelihood that they might exceed these parameters. We would not want to see DNOs penalised as a result of DCP178 being implemented and understand the need for the tolerance on under/over recovery to be revisited.

**Q2: Are there any other benefits and costs that you think would result from DCP178?**

No.

**Q3: For suppliers and customers, can you provide supporting evidence for the benefits identified by respondents to the working group's consultations?**

As stated earlier, our calculations suggest prices could be up to 3% lower if there was no uncertainty in third party charges.

**Q4: Do you think the proposed notice period would cause any issues with implementing any changes to charges which may be required due to developments in the operation of the network?**

We do not see any significant issues with implementing any changes to charges which may be required due to developments in the operation of the network.

**Q5: Do the benefits of certainty outweigh any costs or effects of delay?**

We strongly believe the benefits of more certainty of DUoS charges outweigh any costs or effects of delay.

**Q6: Can you give examples over the next five years of likely changes to distribution charges that are critical to deriving benefits but which would be delayed unduly if DCP178 was approved?**

If this change were approved quickly it could mean tariffs are set for 2015/16 and 2016/17 before a decision was reached on <sup>1</sup>P272 (and <sup>2</sup>DCP179 + <sup>3</sup>P300). If P272 were to be implemented from a date that fell within a period of published tariffs as a result of DCP178, then we are concerned that only current HH tariffs will be available which are potentially more costly to the customers affected.

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<sup>1</sup> P272 - Mandatory Half Hourly Settlement for Profile Classes 5-8

<sup>2</sup> DCP179 - Amending the CDCM Tariff Structure

<sup>3</sup> P300 - Introduction of new Measurement Classes to support Half Hourly DCUSA Tariff Changes (DCP179)