

Response from npower dated 14 July 2017:

Generally no issues with the tweaks made and more a case of queries really in respect of the proposal for the average peak / off peak split, to reflect the view that more consumption is being used during the peak times.

While you might be seeing the move of more consumption to peak times, away from off peak, that might not be the optimal consumer outcome, particularly if their heating arrangements are such that they would benefit more from shifting more consumption to the off peak period. The question being have you taken stock of that and perhaps there is an educational dimension to this, that we try to convey to relevant customers about whether E7 is appropriate for them or a single rate option.

Secondly we wondered with this proposed change, whether you have factored in impacts elsewhere, maybe for example on the PPM Cap and whether that impact might involve some form of increases in the prices customers see?

We note that at this stage you are only considering using these D/N splits for the cap rather than it being a firm proposal. If they do go with this proposal then we would prefer it if implementation was delayed until April giving suppliers time to identify any potential issues this might cause with the modelling (not that we would expect any).

In addition, we are unsure whether it would be a good idea to change the cap D/N split every 2 years when TDCVs are changed, due to the unintended consequences of increased prices that is mentioned above given the CMA's whole reason for defining the cap/modelling as they have was for simplicity rather than accuracy.