

APPENDIX B - RESPONSE FORM

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How do the proposed CPs better facilitate the DCUSA Objectives?

<i>Change Proposal</i>	<i>Better Facilitates (Yes/No)</i>	<i>Which Objective</i>	<i>Reasons/Comments</i>
DCP001	Yes	DCUSA Objective 2	Annual price change would enable improved communication of charges to customers and remove any subsequent, unforecast mid-year amendments to customers' bills, thus improving admin and accounting processes.
DCP001a	Yes	DCUSA Objective 2	Annual price change would enable improved communication of charges to customers and remove any subsequent, unforecast mid-year amendments to customers' bills, thus improving admin and accounting processes.
DCP001b	Yes	DCUSA Objective 2	Price changes on predictable dates would still improve efficiency in the supply of electricity (although less efficiency than options DCP001 and DCP001a).
DCP001c	No		Restricting the number of price changes to two a year would provide no practical improvement, as this is effectively the situation which suppliers are currently facing.

Are there any other alternative solutions you would like to be considered by the DCP 001 Working Group?

No

Reasons and explanations:

If you believe more than one solution better facilitate the DCUSA objectives, indicate an order of priority between each of the alternatives. This will inform the Panel's decision about which alternate(s) to put forward for formal voting in addition to the original CP.

Highest Priority: DCP001a

Next Priority if any: DCP001

Next Priority if any: DCP001b

Next Priority if any:

Reasons and explanations:

The greater the number of price changes each year, combined with the unpredictability of when to expect these, the greater the impact on customer communication and internal processes.

Indicate if you expect to incur any costs to support each alternative, particularly where these are related to internal system changes:

We are currently in a situation of unpredictable price changes, unrestricted in number and spread throughout the year. This creates costs for our business in terms of the need to input new data on price changes, leading to pressure on staff resources, often requiring diversion of trained staff from other duties.

If all Distributors regularly increased their prices twice a year (whether on fixed dates or otherwise), there would be cost implications. We would need to make system changes probably costing a six-figure sum and make changes to our resourcing plans. Once implemented, there would be ongoing low-level maintenance costs.

Comment on the suitability of the proposed implementation date for each CP and each alternative:

Whilst we would prefer implementation of DCP001a as soon as possible, we consider that April 2008 would be a realistic implementation date allowing all parties involved time to prepare.

Reasons and explanations:

See comment above

Any other comments or views on the Change Proposal and Alternatives:

Three of the four options require the Distributors to use reasonable endeavours to restrict the frequency of price changes. Consideration should be given to a process to be followed in the event that a Distributor is unable to comply with this requirement, despite having used reasonable endeavours. Our view is that there would need to be provision for an emergency panel meeting to be arranged to review the situation/decide on action to be taken. There would need to be the option of appeal to Ofgem as part of the process.

Please clearly indicate which parts, if any, of your comments are to be treated by the Working Group and Panel as confidential.

None.