

15 June 2020

### **ICoSS response to CMP 335 & 336**

The Industrial and Commercial Shippers and Suppliers (ICoSS) group is the trade body representing non-domestic industrial and commercial (I&C) suppliers in the GB energy market. Our members collectively supply three-quarters of the gas needs of the non-domestic sector as well as half of the electricity provided by non-domestic independent suppliers<sup>1</sup>.

We are writing, as part of the consultation process on CMP 335 & CMP 336, to set out our views regarding the timing and delivery of the proposed changes to the distribution and transmission charging frameworks.

Since the commencement of the Targeted Charging Review, the market has seen substantial demand destruction from the effects of the COVID-19 pandemic, distorting consumption patterns over the last 3 months. We anticipate that some of these distortions will be permanent, but at this stage the final scale and nature of changed demand patterns in the GB market are impossible to accurately determine. As a result, we have little confidence that the accurate charging bands can be calculated using recent information. Attempts to do so now will result in higher levels of customer disputes and requests for re-banding than otherwise would be the case. Consideration should be given to allowing customers to directly challenge bandings directly with the networks, rather than suppliers (who would be simply notified), as this will improve the speed and efficiency of any appeal. Even if this were to occur however, time needs to be given to allow industry to adjust and for stable working conditions to re-establish.

In addition, supplier preparations for the new regime have been impacted by the COVID-19 pandemic. We welcomed the previous decision to align the transmission and distribution banding changes from 2021 to 2022 to give the industry more time to adjust. Since that decision the impact of the COVID-19 pandemic has become more apparent. As Ofgem has recognised suppliers are currently unable to provide full support to their customers; this situation will



continue for some time and suppliers are ill-prepared to prepare for these changes at this time; this problem is exacerbated by the current uncertainty in the final form of the methodology and the charges it will create prevent suppliers from progressing. It would be appropriate to give suppliers and customers more time to prepare for these changes, so increasing cost certainty and reducing risk.

It is our view therefore that the delivery date of 2022 for these changes needs to be re-examined with at least an additional 12 months given to the industry to adequately prepare. As a minimum therefore the TCR changes should not come into effect until April 2023.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'G. Evans', with a stylized flourish at the end.

Gareth Evans

ICoSS

CC : Ofgem  
DCUSA Panel