



GCM 15 – User Commitment and Entry Capacity Cancellation Fees

Comments from AEP¹

The Association welcomes the opportunity to comment on this consultation. We agree that if mod 246 is implemented then this change to the charging methodology allows any cancellation fees to be directed to the appropriate revenue stream be that TO or SO. We also agree that in the event that mod 246 is implemented that this is consistent with the charging methodology objectives by taking account of developments in the transportation business.

However we also note that since this consultation was issued two alternates to mod 246 have been raised and whilst the comments above will apply if mod 246A is implemented, they will not if 246B is implemented. Since mod 246B does not use the term cancellation fee and a different methodology change will be required. Ofgem has also stated that it will undertake an impact assessment on the modification proposals, although it is unclear as to whether this will include the charging methodology changes too. In this regard we encourage NG to carefully consider the timescales in which it progresses to issue a conclusions report to avoid initiating the 28 day veto period. Consistent with this we would not welcome this change progressing and becoming a redundant element of the charging methodology since this is inefficient and potentially confusing.

May 14, 2009

¹ The Association of Electricity Producers (AEP) represents large, medium and small companies accounting for more than 95 per cent of the UK generating capacity, together with a number of businesses that provide equipment and services to the generating industry. Between them, the members embrace all of the generating technologies used commercially in the UK, from coal, gas and nuclear power, to a wide range of renewable energies.