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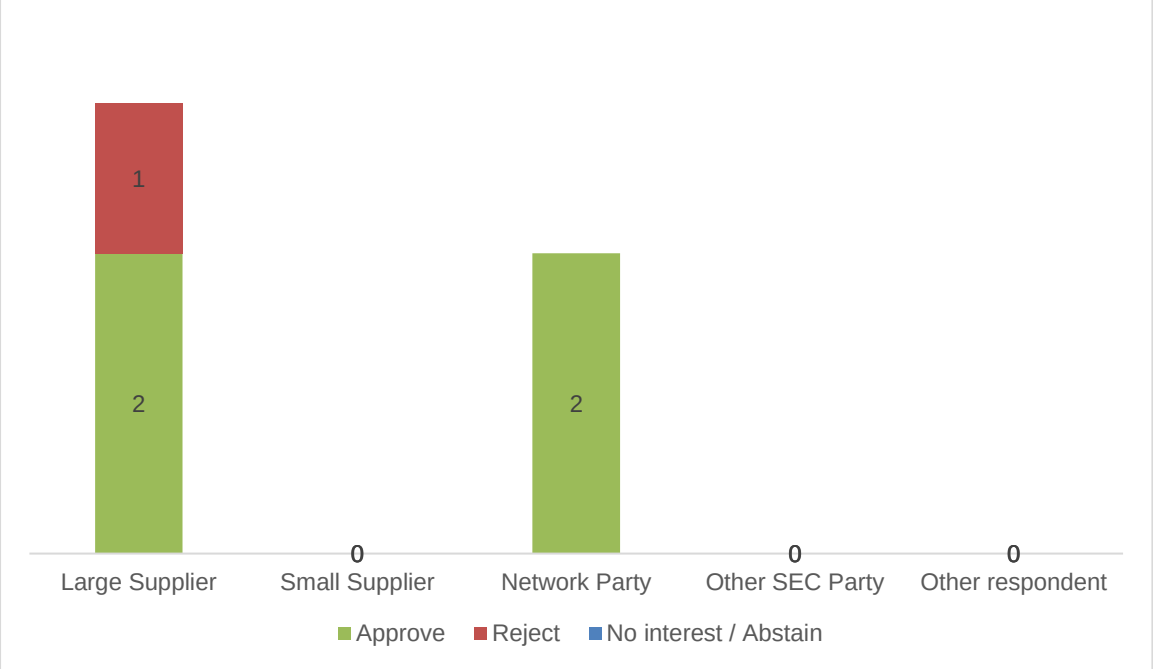
MP076 'Pursuing Non-Payment in Events of Default'

Modification Report Consultation responses

About this document

This document contains the full collated responses received to the MP076 Modification Report Consultation.

Summary of responses



Question 1: Do you believe that MP076 should be approved?

Question 1			
Respondent	**Category**	**Response**	**Rationale**
EDF Energy	Large Supplier	Approve	We agree that MP076 would better facilitate SEC Objective (d) by reducing the bad debt that needs to be recovered from Parties, which would then support more effective competition. We also agree that MP076 would better facilitate SEC Objective (g) is it would clarify the relationship between DCC and the SEC Panel in regards to the non-payment process, and the steps the DCC should be taking as part of this process.
Electricity North West Limited	Network Party	Approve	We agree with the proposed solution to amend Section J2.5(b) by obliging the DCC to take all reasonable steps to gain agreement from the Panel for the DCC's approach, and the DCC shall continue with such steps and proceedings pursuing non-payment. This will provide clarity for the Panel as well as the DCC in how to manage such scenarios in future, as well as limit the risk of increased costs to be socialised amongst SEC Parties in Events of Default by ensuring action is taken swiftly enough to prevent this from happening.
Scottish and Southern Electricity Networks	Network Party	Approve	SSEN agree with the amendment to section (b), this now makes it explicit that the DCC should seek the SEC panels agreement and show all reasonable steps and proceedings undertaken, as well as to consult with the Panel on matters regarding pursuing a different course of action or stop pursuing the unpaid amount. This will provide clarity for the Panel and assist the DCC in managing these scenarios, this should reduce the future exposure of bad debt.
E.ON	Large Supplier	Reject	E.ON maintains its previous position that this modification has greater potential to weaken the effective resolution of events of default, than it does to improve it. It produces an

Question 1			
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			additional level of governance which has no ultimate authority and therefore provides no benefit. This change leaves DCC in an ambiguous position whereby they must seek agreement from Panel to a course of action, yet even by following that course of action they can still be seemed to have failed to take All Reasonable Steps. Conversely, it will be harder for Ofgem to enforce against DCC where collection of debt has not been successful, yet DCC acted upon Panel advice. Ofgem are currently the authority on these matters, and that remains the case even if this Modification is implemented. We believe therefore that in relation to Objective (b) and (g), this Modification is weakening the Code.
Npower	Large Supplier	Approve	We support this change

Question 2: Please provide any further comments you may have

Question 2		
Respondent	**Category**	**Comments**
EDF Energy	Large Supplier	-
Electricity North West Limited	Network Party	As mentioned in our response to the refinement consultation we would prefer the implementation of 7 November 2019 as opposed to delaying to the 27 February 2020. This modification should be treated as urgent in light of nine Parties exiting the SEC in the last financial year alone.
Scottish and Southern Electricity Networks	Network Party	N/A
E.ON	Large Supplier	-
Npower	Large Supplier	-