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**28 February 2020**

Dear RIIO Gas Distribution team

Citizens Advice welcomes the opportunity to respond to this consultation as part of its statutory role to represent domestic and small business energy consumers in Great Britain (GB). Our response is not confidential and may be freely published.

We welcome Ofgem's considerations and consultation<sup>1</sup> on the future of the National Transmission System (NTS) exit capacity booking incentive for Gas Distribution Operators (GDNs) during the next price control period. After studying CEPA's review of possible options and considering the interactions with the upcoming UNC0678 change, we agree with Ofgem's reasoning to remove the current incentive. It will no longer be fit for purpose once the exit capacity pricing changes, and GDNs have benefited greatly from the incentive in GD-1.

The risk with removing the incentive is of course that GDNs will no longer be compelled to book capacity on the NTS in the most efficient manner. Therefore we believe that 'enhanced obligation', as Ofgem puts it, are absolutely necessary to prevent consumers from losing out. CEPA's ideas around increased transparency and reporting, assessment of booking behaviour by a competent body, and potential enforcement action if GDNs' booking behaviour is found to be inefficient, are therefore pertinent.

If this option is pursued, we would be keen for Ofgem to clearly set out how the enhanced reporting framework can 'have teeth' and be credible.

Yours sincerely

Stew Horne

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<sup>1</sup> <https://www.ofgem.gov.uk/publications-and-updates/riio-2-nts-exit-capacity-incentive-consultation>