RETAIL ENERGY CODE

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NON-CONFIDENTIAL CONSOLIDATED IMPACT ASSESSMENT RESPONSES

I0223 – RECONCILIATION OF UNALLOCATABLE TRANSACTIONS REVIEW

On 06 June 2025 the Code Manager issued an impact assessment to industry to seek feedback on the proposed solution for I0223.

The purpose of this document is to consolidate the responses and for the Code Manager to answer any questions raised within those responses.

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RESPONSE TYPE	NON-CONFIDENTIAL
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RESPONSIBLE COMMITTEE	Change Panel
LEAD ANALYST	James Hardy

DATE IMPACT ASSESSMENT ISSUED	06/06/2025
RESPONSE DEADLINE	27/06/2025

Question 1:	Do you have any comments on the proposed solution?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
E.ON Next (Energy Supplier)	We support the clarification that a reconciliation should be initiated annually by the code manager. How much notice will suppliers get to complete this activity? Where a migration or acquisition of a gas supply has occurred, we support the proposal to apportion the Unallocatable Values, but this should be to the **acquiring** gas supplier or read as the supplier at the time market share calculation is done, not current supplier as this suggests the present supplier which may be different, due to the customer moving supplier subsequently. We note the same legal text hasn't been added in for electricity and it should be consistent for both fuels. Supplier of Last Resort (SoLR) acquisitions should not be excluded from the calculation. The same approach as is proposed for migration/acquisition should be used for SoLR and the values apportioned to the supplier that takes on those customers. As raised in our last response, we believe that the time period for backstop should be reviewed which has not been addressed by this proposed solution and would present an opportunity to improve the	Thank you for your response. In previous years, Energy Suppliers have been provided 3 months to complete the activity, however the Code Manager wants to ensure there is flexibility around this. The Code Manager has engaged with the respondent further via a call to discuss this response in detail. The legal text will be amended and added in for electricity. This calculation is out of scope for this Issue; however the Code Manager notes the response and can explore this as part of a future Issue/series of work.

	unallocatable process further. The highest success of reconciling payments happens within the first 12 months, within our portfolio we see very little success with transactions with dates older than this. Reducing the backstop period to 12 months would significantly reduce the time and effort spent by Suppliers trying to reconcile transactions that they will never be able to. We note that the opportunity to review the reporting has also not been taken forward - Improving the quality and reducing the complexity of the reports would help suppliers with the unallocated process	The Code Manager has engaged with the respondent further via a call to discuss this response in detail. This is out of scope for this Issue; however the Code Manager notes the response and can explore this as part of a future Issue/series of work.

Question 2:	Do you have any comments on the draft legal text?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
E.ON Next (Energy Supplier)	The text in regards migration or acquisition of a gas supply needs reviewing so it is clear it is the acquiring or supplier at the time of the market share calculation that the Unallocatable Values should be apportioned to. The same text will need adding into the electricity.	Thank you for your response. The Code Manager will update the electricity text to reflect the changes included in I0223 and to ensure alignment.

Question 3:	Do you agree the proposed solution addresses the problem statement? If not, please provide details.	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
E.ON Next (Energy Supplier)	We agree that the proposed solutions will make some improvements to the process but as per our response to question 1, not all suggested opportunities have been taken (specifically back stop date and reporting review).	Thank you for your response. The Code Manager has further engaged with the respondents to discuss future routes for the suggested opportunities to be taken.

Question 4:	Please provide any preference on how the Code Manager should appropriately assure that transactions are allocated prior to the backstop date.	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
E.ON Next (Energy Supplier)	The code manager can request a sample of daily reporting from the Supplier, as is the process currently	Thank you for your response.

Question 5:	What lead time would be required for your business to implement the proposed solution? Please provide justification.	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
E.ON Next (Energy Supplier)	We would need minimal lead time to implement this. No system or process changes are required.	Thank you for your response.

Question 6:	Do you foresee any risks to your MHHS implementation qualification or migration plans caused by the delivery of this change?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
E.ON Next (Energy Supplier)	No risk identified	Thank you for your response.

Question 7:	Would implementing the proposed solution incur any costs to your business? If so, please provide details breaking down design/build/test costs and on-going costs. If preferable, please indicate which of the below ranges your costs may fall: A) Nil; B) Up to £9,999; C) Between £10,000 and £49,999; D) Between £50,000 and £99,999; or E) more than £100,000.

RESPONDENT DETAILS	RESPONSE	CODE MANAGER COMMENTS
E.ON Next (Energy Supplier)	A) Nil	Thank you for your response.

Question 8:	Do you identify any benefits to your business through the implementation of the proposed solution?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
E.ON Next (Energy Supplier)	We haven't conducted an annual reconciliation run for electricity since 2023, resulting in large cash balances being held on the balance sheet. Restarting this process would support more accurate financial planning and reporting and help reduce the amounts currently held on the balance sheet. Additionally, it would improve cash flow for both us and other businesses, as reconciliation enables the settlement of outstanding cash positions	Thank you for your response.

Question 9:	Taking into consideration both the costs and the benefits seen by your organisation, do you consider this change should be made?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
E.ON Next (Energy Supplier)	Yes we consider this change should be made	Thank you for your response.