

## **iGT 041 - Supplier switching timescales**

### **Terms of Reference**

#### **Purpose**

The Development Group is required to:

1. Assess the changes proposed by modification iGT UNC 041;
2. Evaluate any alternative options proposed by members of the group; and any alternative proposals raised by industry parties;
3. Identify the costs and benefits to iGTs and Shippers/Suppliers;
4. Assess implementation timing issues and any dependencies on other industry activity;
5. Draft the iGT UNC modification (or modifications).

#### **Background**

Article 3(5a) of the Electricity Directive and Article 3(6a) of the Gas Directive requires Member States to ensure that where a customer, while respecting contractual conditions, wishes to change supplier, the change is effected within three weeks. The detailed measures are described in the DECC Impact Assessment No.DECC0003 dated 14/01/2011.

Government has transposed the requirements into Draft Statutory Instrument The Electricity and Gas (Internal Markets) Regulations 2011 which are now laid before Parliament.

Part 3 of these regulations will amend the standard conditions of a gas supply licence, specifically by adding Standard Condition 14A Customer Transfer; 'Obligation to complete a Supply Transfer within three weeks.' In order to comply, a supplier will need to make arrangements with their shipper to transfer ownership of the relevant supply point within the prescribed timescales.

#### **Scope and Deliverables**

The group will initially focus on the intent of the modification proposal but will consider further related options should any party raise them, or if similar proposals are made in other governance streams (e.g. UNC). Where a related proposal is raised under UNC but not subsequently raised under iGT UNC, the group will be responsible for determining whether to consider the same proposal under iGT UNC.

The Development Group is asked to deliver:

1. A final report outlining the findings of the Group, including recommended proposal if appropriate, and/or a representation of the views supporting alternative proposals, a cost/benefit section, expected next steps.
2. Draft modification proposals for any such changes

Reports of progress will be provided to the iGT UNC Modification Panel at each meeting held throughout the period of the Development.

#### **Composition**

- IGTs

- Shippers and Suppliers
- Ofgem, Large Transporters
- Others (e.g. xoserve) by invitation
- The Development Group will be chaired by the iGT UNC Operators

### **Information Sources**

iGT UNC, UNC, Ofgem guidance.

### **Limits**

The Development Group will not consider:

- Any proposed high level solution that is not also mirrored in UNC change governance

### **Timetable and process**

- To be agreed – following initial discussion and agreement, it may be appropriate to allow UNC development work to proceed before significant resource is dedicated to this development group
- UNC timetable to be mirrored as closely as possible
- The group may consider it appropriate to provide representation under parallel work taking place under UNC governance. This may be in addition to OR in lieu of ongoing development under iGT UNC
- Meetings to be held in accordance with the Chairman's Guidelines

### **Approval**

These terms of reference are subject to approval by Panel. However, the Development Group may recommend changes to the Terms of Reference if required.