

## Consultation Response

### iGT072: Non-effective Days for Cutover to Single Service Provision

Responses invited by: 8<sup>th</sup> May 2015

#### Respondent Details

Name: Kristian Pilling

Organisation: SSE Energy Supply Limited

Support Implementation  Yes

**Please briefly summarise the key reason(s) for your support / opposition**

SSE accepts the justification of the Transporter Agency for 6 non-effective days and recognise that the long-term customer benefits of Single Service Provision outweigh the short-term negative impact on switching performance. Nonetheless, this modification increases the risk of regulatory non-compliance for Shippers and Suppliers on switching matters.

We are supporting this modification on the basis that the Authority has verbally confirmed that the relevant regulatory requirements will be relaxed and not be enforced for the period before and after the 6 non-effective days. Had these verbal assurance assurances not been provided we would not have supported this modification as it would place us in breach of our Licence Conditions. In the event the Authority approves this modification we seek a written assurance that switching regulations, most notably Gas Supply SLC14, are temporarily lifted for the purposes of implementing this modification.

## **Self-Governance Statement**

**Do you agree with the Modification Panel's determination with respect to whether or not this should be a self-governance modification?**

We agree with the Modification Panel's determination that this modification does not meet self-governance criteria due to the impact on 'existing or future gas consumers'.

## **Please state any new or additional issues that you believe should be considered**

None identified.

## Relevant Objectives

### How would implementation of this modification impact the relevant objectives?

If taken in isolation, this modification has a negative impact on Relevant Objective d) and g), an overall positive impact on c) and neutral impact on the remaining Relevant Objectives.

### Relevant Objectives – Negatively impacted

*d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; (...)*

*g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.*

As a Supplier this Modification introduces several conflicts with existing requirements regarding the customers switching process, including but not limited to,

- (1) Suppliers to transfer customers within 21 days (*SLC 14*)
- (2) Ability for consumers to 'opt-out' of a request to transfer their supplier within 14 days of making the initial request, i.e. 'cooling-off period' (*Consumer Rights Directive (2011/83/EU)*).
- (3) Obligation for Suppliers to prevent ETs (*SLC 14*)
- (4) 'Faster Switching' in 17 days (14 'cooling off' + 3)

Where the proposed 6 non-effective days coincide with the period a supplier is transferring a consumer, it is anticipated that the switch may take longer or be less accurate. Under 'Faster Switching' arrangements Suppliers process the exchange of registration files in parallel with the 'cooling-off period'. If the consumer exercises their 'cooling-off rights' then the Supplier must have the time to complete this action, however this Modification will give rise to the opportunity of Suppliers being unable to process the cancellation. The outcome may therefore lead to the switch commencing (contrary to the consumer request), with only available resolution being either a new full registration with their original supplier, or for an ET to be raised. These concerns were raised during the development of this modification, as well as being the subject of a letter from the iGT UNC Panel to Ofgem earlier this year.

SSE accepted that the Transporter Agent has stated to industry that the introduction of 6 non-effective days is the only viable solution for migrating the iGT Supply Point data to the new UK Link systems as part of Project Nexus. Equally, as a Supplier we are committed to providing the best level of service for our customers, in a cost efficient and regulatory compliant manner.

We are supporting this modification on the basis that Ofgem provided commitments at the iGT UNC Panel Meeting (January 2015) that the negative regulatory impacts would not be followed up on. On balance the Single Service Provision provides a greater long-term customer benefit than the negative impact on customers as a result of non-effective days.

Nonetheless we would welcome Ofgem providing a written response to the concerns as raised in the iGT UNC Panel letter to Ofgem. We accept that one would anticipate a small number of consumers could be impacted by this modification; however we remain concerned that this modification does increase the risk of non-compliance with our Licence Conditions, which is why we are requesting the written assurances of Ofgem on this matter.

## **Relevant Objectives – Positively impacted**

*c) Efficient discharge of the licensee's obligations.*

This modification positively impacts licensee obligations in respect of their Special Licence Conditions, specifically A15.

## **Impacts and Costs**

### **What development and ongoing costs would you face if this modification was implemented?**

The development costs for this modification are wedded to our internal Project Nexus delivery so cannot easily be provided in isolation. As this modification is proposed to be removed from code on Project Nexus Implementation Date there will not be any ongoing costs.

## **Implementation**

### **What lead time would you wish to see prior to this modification being implemented, and why?**

To align with Project Nexus Implementation Date.

## **Legal Text**

### **Are you satisfied that the legal text will deliver the intent of the modification?**

Yes.

## **Further Comments**

### **Is there anything further you wish to be taken into account?**

No.

**Responses should be submitted by email to [iGTUNC@gemserv.com](mailto:iGTUNC@gemserv.com)**