

Modification	At what stage is this document in the process?
<p>iGT095: Provision of access to Domestic Consumer data for Price Comparison Websites and Third Party Intermediaries</p>	<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="border: 1px solid green; background-color: #00a651; color: white; padding: 5px; margin-bottom: 5px;">01 Modification</div> <div style="border: 1px solid blue; padding: 5px; margin-bottom: 5px;">02 Workgroup Report</div> <div style="border: 1px solid purple; padding: 5px; margin-bottom: 5px;">03 Draft Modification Report</div> <div style="border: 1px solid orange; padding: 5px;">04 Final Modification Report</div> </div>
<p>Purpose of Modification: This is an enabling modification, which seeks to create the necessary permissions in the IGT UNC to permit the release of domestic consumer data to Price Comparison Websites (PCWs) and Third Party Intermediaries (TPIs) to satisfy the CMA Energy Market requirements. The release of data is subject to validations undertaken by the Transporter and would be pursuant to data protection principles.</p>	
	<p>The Proposer recommends that this modification should be;</p> <ul style="list-style-type: none"> Assessed by a Workgroup
	<p>High Impact: None</p>
	<p>Medium Impact: None</p>
	<p>Low Impact: Transporters Agency</p>

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Timetable		
The Proposer recommends the following timetable:		
Modification Proposal submitted to The Authority for Urgent Status	15 February	
The Authority's decision on Urgent Status	17 February	
Draft Modification Report issued to Consultation	20 February	
Extraordinary Panel Meeting	23 February	
Submission of Modification to the Authority	23 February	
The Authority's Decision	27 February	

1 Summary

What

This is an enabling modification seeking to grant permission to release domestic consumer data to Price Comparison Websites (PCWs) /Third Party Intermediaries (TPIs) in order to facilitate the switching process.

Why

The Competition and Market Authority (CMA) Energy Market Investigation proposed a requirement for Gas Transporters to provide PCWs/TPIs access to data for the purpose of allowing them to check or obtain MPRNs for consumers seeking to switch supplier, and to check other information provided by these Consumers against the data held by the Gas Transporter. The release of this data is strictly limited to these purposes only. Some of the data that will be provided to the PCWs/TPIs is provided to the iGT under this code by the Shippers and iGTs are prohibited from sharing this data with other parties by the provisions of this code. This modification is required in order to provide this data to PCWs/TPIs.

How

In order to allow PCWs/TPIs to be permitted access to domestic consumer data, the necessary permission and any restrictions or requirements on PCWs/TPIs needs to be created within the Independent Gas Transporter Uniform Network Code (iGT UNC) with the data items available to match those in SPAA Schedule 23, section 6.4.

2 Governance

Justification for Urgency, Authority Direction or Self-Governance

This modification does not qualify for self-governance. Although it is simply allowing the release of data (subject to pre-defined conditions) to PCWs/TPIs, a subsequent increase in consumers seeking to switch Supplier could have a material impact on parties to the iGT UNC, consumers and competition.

Requested Next Steps

This modification should:

- Be sent to the Authority as an Urgent Status Modification on the basis that the Large Transporters Agent intends to give access to PCWs/TPIs as from the 28th February 2017. When providing such access they will not be able to restrict the access to exclude iGT Supply Points and hence they require the iGT UNC to be amended to allow such access by the 28th February 2017. It is not considered that this would be possible if the standard iGT UNC Modification Rules were followed, hence the reason for requesting Urgent status.

3 Why Change?

The CMA issued its Energy Market investigation final report in June 2016 (the Report). The Report sets out reasoning for erroneous transfers and failed switches, and concludes that there is a requirement for PCWs/TPIs to be granted access to data, on the same level as suppliers, pertinent to the switching process. This will allow them to check or obtain MPRNs for consumers seeking to switch supplier and to check other information provided by these consumers. This should help to reduce the number of erroneous transfers and failed switches. Use of the data by PCWs/TPIs is strictly limited to these purposes only.

The CMA has placed an 'order' on Xoserve and Gas Transporters to grant data access to PCWs/TPIs upon request, subject to reasonable access conditions, to assist consumers seeking to switch.

This modification would, with sufficient controls in place, grant permissions for iGTs to release the above data to PCWs/TPIs.

The requirement to provide suitable data will be set out within the CMA order and is supported by Ofgem. Gas Transporters are actively supporting these requirements, removing the need for a licence obligation.

The proposer believes that this modification should be considered as 'enabling' since the change would mainly be of benefit to PCWs/TPIs and Suppliers, which are not Code parties and therefore, of indirect benefit to iGT UNC parties.

4 Code Specific Matters

Reference Documents

Please find the link for: CMA Energy Market Investigation – Final Report here;

<https://assets.publishing.service.gov.uk/media/5773de34e5274a0da3000113/final-report-energy-marketinvestigation>.

Some of the relevant paragraphs are as below:

13.324 We agree with suppliers that the terms on which PCWs are provided with access to the ECOES and SCOGES databases should allow for them to check or obtain MPAN and MPRN numbers for customers seeking to switch supplier and to check other information provided by these customers against that held in the database and should be strictly limited to these purposes. We would expect that the conditions for accessing the ECOES and SCOGES databases to include conditions that strictly limit the use of data for these purposes.

13.325 We also agree that the number of erroneous and failed transfers avoided might be small. However, we consider that a small number of erroneous and failed transfers could be expected to have a wide impact on customer perceptions (see paragraph 13.352) and disproportionate impact on domestic customers' confidence in the use of PCWs and perception about the ease of switching more generally.

13.330 Ofgem said it strongly agreed with implementing the remedy through an order and suggested that to improve the prospect of timely implementation the CMA should specify a timescale in the order. Ofgem also said the scope of the data that PCWs should be able to access should be clarified to assist speedy implementation.

13.343 The aim of this remedy is to reduce actual and perceived barriers to switching resulting from erroneous transfers and failed switches, and we consider, based on responses to our provisional decision on remedies 265, that access to the ECOES and SCOGES databases will also benefit other TPIs providing similar services to PCWs.

13.344 In light of the above, this remedy will require (through a CMA order) the code administrator or governing body with authority to grant access to the ECOES database to grant access to the database to PCWs (and other TPIs providing similar services). This remedy will also require (through a CMA order) Gas Transporters to grant access to the SCOGES database to PCWs (and other TPIs providing similar services) on reasonable terms. We understand that amendments to the relevant industry codes may be required. Therefore, this remedy will also require Gas Transporters to make any necessary amendments to both the Uniform Network Code (UNC) and Independent Gas Transporter Uniform Network Code.

13.345 This remedy will enable PCWs (and other TPIs providing similar services) to check or obtain MPAN and MPRN numbers for customers seeking to switch supplier and to check other information provided by these customers against that held on the databases. Use of the data by PCWs (and other TPIs providing similar services) should be strictly limited to these purposes. Any charge for access to the data should be based on the incremental cost to the database administrators of providing this access

The CMA Draft Energy Market Investigation (ECOES/DES) Order 2016 has been published and can be accessed via the following link;

<https://assets.publishing.service.gov.uk/media/5805df8e40f0b64fc1000004/energy-market-ECOES-DES-order-for-consultation.pdf>

Knowledge/Skills

No specific knowledge or skills required to consider this modification

5 Solution

This enabling modification proposes to grant the relevant permissions to allow PCWs/TPIs access to domestic consumer data through amending iGT UNC Part K to include a requirement on the PCWs/TPIs to enter into a confidentiality and service agreements, with the Gas Transporters on terms no less onerous than those of Part K, but including clauses detailing the data and permitted purpose, and clauses to include enforcement of the confidentiality agreement.

The data to be included is equivalent to the service provided in SPAA Schedule 23, section 6.4 and is to be obtained specifically for the purpose of enabling a change of supplier event in response to a specific request from a consumer.

The confidentiality and service agreements will not be included in the iGT UNC solution; however, in order to provide confidence that the arrangements protect the providers of the data the following elements will be included. To ensure compliance of the data in accordance with the Data Protection Act, PCWs/TPIs will be subject to, but not limited to, the following principles which will be solidified in a forthcoming service build:

- Legitimate justification will be required by PCWs/TPIs for accessing this information. This will be subject to confidentiality agreements between PCWs/TPIs and the Independent Gas Transporters, and a contract with the Transporters' Agency for the provision of the service.
- PCWs/TPIs access to data will be subject to organisational validations and conditions, as set out in legal contracts between PCWs/TPIs and the Independent Gas Transporters. The relevant section of the iGT UNC will be amended to include the definition of PCWs/TPIs.
 - PCWs/TPIs are recommended to be part of the Ofgem Confidence Code for faster processing of organisational validations.
- The data provided is confidential information and is therefore only permitted to be accessed by PCWs/TPIs (subject to organisational validations) where consent has been obtained from the relevant consumer, through a clear statement of consent on the PCWs/TPIs website, which will be required to be actively triggered by a consumer.
- Consumer consent and data accessed by PCWs/TPIs will be held by PCWs/TPIs for no longer than reasonably required to comply with relevant legislation.
- The Independent Gas Transporter has the right to audit PCWs/TPIs, without notice, to ensure data is being used solely, with consumer consent, for the purposes of facilitating change of supplier activity.
- The Independent Gas Transporter has the right to request PCWs/TPIs to produce evidence of the following information, but are not limited to only this information: consumer consent, data obtained, time periods data was obtained for, switching evidence (if switch took place), and data retention policies.
- Where any suspected misuse comes to the attention of the Independent Gas Transporters, including via a third party or an audit or security investigation, then the Independent Gas Transporter has the right (after appropriate investigation) to cancel provisions of access to data to the PCW/TPI.

- If any of the evidence requested by the Independent Gas Transporter, as specified within the iGT UNC and legal contracts, is not provided within a reasonable timeframe, then the Independent Gas Transporter has the right to immediately cancel provisions of access to data to the PCW/TPI.

In order to provide the industry with transparency of the use of this data, an annual report will be provided detailing the PCW/TPI market participants who are permitted to access this data.

This modification, once implemented, will grant the necessary permissions to create a commercial service which will provide access to domestic consumer data only for the sole purpose of aiding in more efficient supplier switching.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

It is likely this modification would be required to enable the outcomes of Quicker and More Efficient Switching Significant Code Review. However, the impacts of the SCR will not be implemented until after this modification is required by the CMA order.

Consumer Impacts

When investigating the possibility of changing Supplier, consumers very often utilise the services of PCWs/TPIs. In order to offer the most efficient service, and to facilitate a more effective switch, the PCWs/TPIs would benefit from access to data held by the Transporters.

PCWs/TPIs are an important means to improve consumer engagement, and develop effective competition in the domestic retail markets. Through the improved switching reliability that this modification seeks to aid domestic consumers will be more engaged to fully understand and choose between the range of options available to them through PCWs/TPIs services offered both online and by telephone.

Note: In the main, TPIs are not currently representing domestic customers but this is anticipated to change in the future.

Cross Code Impacts

The requirements as set out by the Report, also apply to electricity. Therefore, code administrative changes will also be made to the Master Registration Agreement (MRA). This modification does not impact on other codes' obligations.

EU Code Impacts

None

Central Systems Impacts

None. Service provision will need to be provided – post NEXUS.

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
(A) Efficient and economic operation of the pipe-line system	None
(B) Co-ordinated, efficient and economic operation of (i) the combined pipe-line system; and/or (ii) the pipe-line system of one or more other relevant gas transporters	None
(C) Efficient discharge of the licensee's obligations	None
(D) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation agreements with other relevant gas transporters) and relevant shippers	Positive impact on competition between Gas Suppliers
(E) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers	None
(F) Promotion of efficiency in the implementation and administration of the Code	None
(G) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators	None

Making switching suppliers easier for domestic consumers is likely to increase the number of consumers who engage in the competitive market. Ensuring that core data items can be validated at an early stage will increase confidence that switching will be successful. Providing access to the parties that are involved in the earliest stages of switching will improve the services that they provide. Increased confidence and activity in the energy markets will make it a more competitive environment for suppliers.

8 Implementation

It is proposed that implementation of this modification should be no later than the 28th February 2017. This is to allow sufficient time to obtain the necessary agreements and provide DES access to authorised PCW/TPI's for the service provided in SPAA Schedule 23, section 6.4. It is recognised the CMA proposal stipulates implementation of a solution for 28 February 2017; however, this will be consulted upon with the CMA to ensure prioritisation of Project Nexus delivery, and then the provision of access to data for PCWs/TPIs.

It is noted the mirroring UNC modification 0593 has been sent to consultation with a view of the final modification report circulated by 16th February 2017.

As this modification is not self-governance Ofgem will make the final decision on implementation if approved.

9 Legal Text

Text Commentary

The legal text introduces a new permission for the release of protected data.

Paragraph 24.3 (j) describes the person to whom the data can be released (PCWs and TPIs as defined in iGT UNC Part M - Definitions) the circumstances of the release (they have permission from the domestic consumer and have entered into appropriate terms) and the data items are set out in SPAA schedule 23: 6.4.

24.3A also obligates the Transporters to publish an annual list of persons who have entered into agreements for this data.

The definitions in iGT UNC Part M are consistent with those in the Competition and Markets Authority draft Order on the Transporters to create these permissions and a corresponding service.

Text

Add new paragraph, (j) as follows to section K of the iGT UNC paragraph 24.3.

:

Provision of domestic premise data to Price Comparison Websites and Third Party Intermediaries

24.3

j) To the disclosure of such data, by the Pipeline Operator, as is set out within Supply Point Administration Agreement ('SPAA') Schedule 23: 6.4 to a Price Comparison Website or Third Party Intermediary where the Price Comparison Website or Third Party Intermediary has received consent from the domestic consumer and where they have entered into a confidentiality agreement with the Pipeline Operator (on terms no less onerous than those in paragraph 23) and reasonable access conditions.

24.3 (j) (i) The Pipeline Operators shall, by 31 March each year, publish a report to identify the service recipients who have signed up to the confidentiality and service agreements.

Add to iGT UNC [Part M – Definitions] new defined terms:

“Price Comparison Website” (PCW) shall mean an internet based price comparison service or other internet based TPI (and the owner, operator or host of such a website, service or TPI) that provides comparisons between, and/or access to, personalised quotes for retail energy to domestic customers, and carried out, on behalf of the domestic customer an instruction to change the domestic customer’s retail energy supplier, tariff or both.

“Third Party Intermediary” (TPI) shall mean an organisation or individual acting as a third party intermediary between a domestic customer and retail energy.

10 Recommendations

Proposer’s Recommendation to Panel

The Authority is asked to:

Assess this modification and agree it qualifies as an Urgent Status modification under the timetable proposed above or as agreed with the Authority.