

Date
15 January 2021

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Rachel Clark
Switching Programme
Ofgem
10 S Colonnade
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London
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Dear Rachel,

Switching Programme and Retail Code Consolidation: Proposed licence modifications

Thank you for the opportunity to respond to Ofgem's consultation: Switching Programme and Retail Code Consolidation: Proposed licence modifications. This response is made on behalf of Cadent and can be published by Ofgem.

Cadent continues to be supportive of Ofgem's approach to the Significant Code Reviews related to bringing about faster, more reliable switching and Retail Code Consolidation. However, we do have significant concerns about the proposal not to remove the obligation to provide Supply Point Information services from Standard Special Condition A31. We agree that it is appropriate that some obligations remain but believe that the best way forward is not to provide a derogation and instead to amend the licence as proposed in our response below.

Our responses to the individual questions within the consultation are set out below. We have chosen not to provide responses to certain questions which we deem to be non-Gas Transporter related.

Please contact me should you wish to discuss any aspect of this consultation response.

Yours sincerely,

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Questions:

1. Standard Licence Conditions: Electricity Supply Licence and Gas Supply Licence

Question 1.1: Do you agree with the proposed standard licence condition modifications as drafted in Appendix 3 for the Gas Supply Licence?

We have chosen not to comment on this question as it is not applicable to Gas Transporters.

Question 1.2: Do you agree with the proposed standard licences condition modifications as drafted in Appendix 2 for the Electricity Supply Licence?

We have chosen not to comment on this question as it is not applicable to Gas Transporters.

Question 1.3: Do you agree with our proposal to modify the five working day switching regulatory backstop by introducing a 5pm cut off on a working day, after which, if a consumer signs up, the start of the five working day period will be counted as the next working day?

We have chosen not to comment on this question as it is not applicable to Gas Transporters.

Question 1.4: Do you agree with our proposals to measure the start of the grace period, from which Supplier B must continue to supply the customer on the same tariff after the consumer has switched and cancelled, from the point that Supplier B sends notice to the consumer of their options and that the grace period should be 15 working days?

We have chosen not to comment on this question as it is not applicable to Gas Transporters.

Question 1.5: Do you agree with our proposals to measure the start of the period over which Supplier A must offer to take a customer back on equivalent terms from the switch date? Do you agree that the period that Supplier A must maintain this offer is 16 working days from the switch date?

We have chosen not to comment on this question as it is not applicable to Gas Transporters.

2. Standard Licence Conditions: Gas Shipper Licence

Question 2.1: Do you agree with the proposed standard licence condition modifications as drafted in Appendix 4 for the Gas Shipper Licence?

We have chosen not to comment on this question as it is not applicable to Gas Transporters.

3. Standard Licence Conditions: Electricity Distribution Licence and Gas Transporter Licence

Question 3.1: Do you agree with the proposed standard licence condition modifications as drafted in Appendix 5 for the Electricity Distribution Licence?

We have chosen not to comment on this question as it is not applicable to Gas Transporters.

Question 3.2: Do you agree with the proposed standard licence condition modifications as drafted in Appendix 6 (a-d) for the Gas Transporter Licence?

The proposal is to retain Standard Special Condition (SSC) A31 in its entirety and to provide a potential derogation of the licence condition to the licensee. Cadent do not support this approach as SSC A31 requires conformity with SSC A15, which necessitates services to be provided by the Central Data Services Provider (CDSP). The Retail Energy Code (REC) refers to Xoserve as the Gas Retail Data Agent (GRDA) not the CDSP so provision under REC does not encompass delivery by the CDSP, even if Xoserve provides the service. In consequence, as a minimum, SSC A31(1) requires amendment as otherwise Gas Transporters will be required to

continue the provision of services by the CDSP whether or not some broadly equivalent services are provided through the REC.

Derogating the licence condition in its entirety would not be appropriate and is likely to introduce risks to Gas Transporters. Derogating certain aspects only whilst retaining other areas would be equivalent to amending the condition in the first place.

It is therefore our view that rather than provide for SSC A31 to be derogated that it is instead amended, with detailed input from Gas Transporters collectively.

The table below, based on analysis by Northern Gas Networks, lists each obligation in SSC A31 and proposes changes to the licence to consider the changes introduced by the faster switching programme. We believe that these will avoid the requirement for duplication of services and removes obligations from Gas Transporters where the service will be provided under the REC. Some obligations should remain unchanged.

SSC A31	Description	UNC/DSC delivery	REC implications	Additional notes	Proposed amendment
Para 1	Requirement to establish, procure, operate and maintain the Supply Point Information Service consistent with A15	N/A	This is an overarching obligation for the services listed below. As A15 requires Services to be delivered by CDSP, this means that CSS/ REC service not compliant	If the policy intent is for the services to be provided under REC then the obligation needs to reflect that the GTs cannot control REC provision, they can only influence it.	Amend licence to: 1) Reduce level of obligation on GTs "The licensee shall make reasonable endeavours to establish....." 2) remove requirement for service to be consistent with A15 to allow it to be provided by REC
Para 2 (a)	Maintain a register of specific data (contained in para 3)	UK Link used to provide register	Data will be sourced through REC and the CSS data flows	Data will continue to be held in UK Link	Amend licence to remove obligation as the information will be sourced through REC, GTs will not have control and therefore it is not reasonable to have a licence obligation to keep a register.
Para 2 (b)	Amend data to reflect change of supplier	UK Link updates through UNC data flows	Data will be sourced through REC and the CSS data flows	Data will continue to be amended in UK Link	Amend licence to remove obligation. For CSS Supply Points the data will be mastered by REC and so the GTs should not have a licence obligation to maintain this information. As there are very few non-CSS Supply Points, most of which are directly connected to the NTS, there seems little benefit in retaining this obligation

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SSC A31	Description	UNC/DSC delivery	REC implications	Additional notes	Proposed amendment
					for non-CSS Supply Points.
Para 2 (c)	Provide a service to domestic customers for certain data items (defined in para 3)	Who's my Supplier telephone and web service delivered through DSC ASGT-NC SA16-06 (ASGT-NC SA12-06 from 1/4/21)	REC delivery of a direct domestic consumer service does not discharge obligation, so will need to continue to be provided by Xoserve	As GTs are required to procure the service, procurement of the identical service by REC Co would not discharge GT obligation, potentially leading to duplication	Amend licence to remove obligation. As all domestic connections will be CSS Supply Points there is no need to retain this obligation for non-CSS Supply Points as none will be domestic.
Para 2 (d)	Provide a service to Shippers, persons defined in UNC and non-domestic consumers	Xoserve telephone service provided to shippers through DSC ASGT-NC SA16-07 (ASGT-NC SA12-07 from 1/4/21)	REC delivery of a service to suppliers not compliant with requirements to provide information to shippers or other parties	GTs may be required to continue to provide a shipper facing service as shippers not party to REC. Shipper service can be delivered by UNC obligation As there are very few non-CSS Supply Points most of which are directly connected to the NTS there seems little benefit in retaining this obligation for non-CSS Supply Points	Amend licence to remove obligation. Introduce a UNC obligation to provide information to Shippers.
Para 2 (e)	Maintenance of the domestic service free at the point of delivery	Who's my Supplier telephone and web service delivered through DSC ASGT-NC SA16-06 (ASGT-NC SA12-06 from 1/4/21)	REC delivery of a direct domestic consumer service does not discharge obligation, so will need to continue to be provided by Xoserve	As GTs are required to maintain the service, service by REC Co would not discharge GT obligation, potentially leading to duplication	Amend licence to remove obligation. All domestic connections will be CSS Supply Points there is no need to retain this obligation for non-CSS Supply Points.
Para 2 (f)	Advertise the service adequately	Xoserve advertise service in phone book and through website	REC Co would need to advertise their service (which may differ)	Only CDSP service discharges GT obligation	Amend licence to remove obligation. If 2(e) is removed as proposed, then 2(f) is no longer required.
Para 3 (a) (i)	Identity of Shipper responsible under UNC	UK Link holds shipper short code and name as provided by the shipper through the nomination/confirmation UNC flows	Identification of shipper will be sourced through a new CSS data flow, other than non-CSS supply points	Process for non-CSS supply points needs to be maintained through UNC	Amend licence to remove obligation. Introduce a UNC obligation to provide service for non-CSS Supply Points.
Para 3 (a) (ii)	Metering equipment	UK Link holds meter technical details (MTD) as provided by the shipper through RGMA flows	RGMA flows unchanged	For CSS/REC service this data would need to be provided by Xoserve	No change.
Para 3 (a) (iii)	Unique and accurate address	Provided by GTs on MRPN creation	REL and MPL may be different in REC, but MPL address continues to be provided by GT	In REC, GTs will only be able to change the MPL address, not the REL, and may not be	Insofar as this relates to the Retail Energy Location then the obligation should be removed as this is

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SSC A31	Description	UNC/DSC delivery	REC implications	Additional notes	Proposed amendment
				have permission to view the REL	provided by the Central Switching Service by its Address Service Provider. Insofar as it relates to the Meter Point Location, amend licence to clarify that the address relates to the location of the end of the network (MPL address). Suggested wording "a unique and accurate address of for the location of the end of the network serving such premises"
Para 3 (b) (i)	Information for managing supply of gas				No change.
Para 3 (b) (ii)	Information for assessing the accuracy of charges	Billing data – AQ, SOQ, consumption from meter reads, CV. Currently held in DES or provided in IX data flows to shippers	Not included	GTs will be required to continue to provide data to shippers to verify charges – provided under UNC. Once DES is removed then GTs will not control what is provided by CSS GES	Amend licence to remove. GTs will not control information provided by CSS GES.
Para 3 (b) (iii)	Information to enable switching	We sometimes get consumer/supplier queries about things like MSC or meter point status which is preventing a switch, but there is no detailed specification	CSS Gas Enquiry Service (GES) should provide sufficient data for suppliers	GES would not discharge GT obligation as not procured through CDSP, potentially leading to duplication	Amend licence to remove. GTs will not control information provided by CSS GES.
Para 3 (b) (iv)	Information identifying the supplier	Supplier Short Code and name as provided by Shipper through nomination/ confirmation flows	Information provided by supplier to CSS will need to be passed to CDSP	No change to GT data flows, just source of information changed except for non-CSS supply points	Amend licence to remove. This information will be controlled by REC and will be passed to GTs so GTs have no control over it.
Para 4	Not restrict, distort or prevent competition in metering or supply services	Use of standard UNC processes ensures this	REC service could ensure this other than it needs to be a CDSP service	Standard clause found in many conditions	No change.
Para 5 (i)	Provide pressure information associated with new connections	Provided by GTs through GT1 (for services) and connections processes	N/A	Will continue in-house by GTs	No change.
Para 5 (ii)	Provide information required for chargeable reinforcement	Provided by GTs through connections processes	N/A	Will continue in-house by GTs	No change.

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SSC A31	Description	UNC/DSC delivery	REC implications	Additional notes	Proposed amendment
Para 6 (a)	Grounds for refusal if prejudicially affecting commercial interests	N/A	N/A	N/A	No change.
Para 6 (b)	Grounds for refusal if person refuses to enter into contract	N/A	N/A	s10 Gas Act, UNC, UIP FCA, connections agreements	No change.
Para 6 (c)	For 2 (e), grounds for refusal if pre-notified costs not paid (by non-domestics)	Not currently chargeable	N/A		No change.
Para 7	For 5, not required to produce information that could not be compelled for court	N/A	N/A	N/A	No change.

Question 3.3: Do you think the change to the definition of Metering Point to remove direct reference to the codes is suitable, and do you consider there to be any risks or unintended consequences that we should take into account for our decision?

No further comments.

4. Smart Meter Communication Licence

Question 4.1: Do you agree with the proposed licence modifications as drafted in Appendix 7 for the Smart Communication Licence?

We have chosen not to comment on this question.

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