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15th January 2021

WWU response to Ofgem consultation: Switching Programme and RCC: proposed licence conditions

Dear Rachel,

Thank you for the opportunity to respond to the consultation. We are only replying to questions 3.2 as this is the only question relevant to Gas Transporters although we do comment on the proposals to amend the Shipper licence as this is relevant to the discussion on the Transporter licence

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?

We have no comment on the minor changes you are proposing to the Gas Transporter licence as it affects WWU and we understand the desire to reduce the regulatory burden on both Ofgem and licensees by making the change required for the Faster and More Reliable Switching (FS) programme in summer 2022 at the same time as making the changes required for Retail Code Consolidation (RCC) for September 2021. We do have significant concerns about the proposal not to remove the obligation to provide Supply Point Information services from Standard Special Condition A31 and put in the provision that the Authority can provide a derogation with the intent that this would be used to resolve any conflict between the licence and the Retail Energy Code should one become apparent. We are disappointed that Ofgem did not discuss this change of approach with licensees before publishing the consultation as we could have then discussed the consequences and potential remedies with the expectation that the consultation would reflect an agreed way forward.

We agree that it is appropriate that some obligations remain but believe that the best way forward is to amend the licence as proposed below.

Standard Special Condition A31

A31 (1) requires the supply point information service to be provided in conformity with Standard Special Condition A15. A15 requires that services are provided by the Central Data Service Provider (CDSP). This precludes the supply point information service being provided under the Retail Energy Code. The Retail Energy Code refers to Xoserve as the Gas Retail Data Agent

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not the CDSP so provision under REC clearly does not encompass delivery by the CDSP even if Xoserve provides the service. In consequence as a minimum A31 (1) requires amendment as otherwise DNs will be required to continue the provision of services by the CDSP whether or not some broadly equivalent services are provided through the REC.

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

We strongly support a licence modification rather than derogations for two reasons.

- 1) Licence modifications are more transparent and cannot be withdrawn thereby removing regulatory risk for the licensee.
- 2) The amount of work required to put the derogations in place is probably not much less than that required to modify the licence and the derogations need to be in place on the day the Faster Switching arrangements go-live so there is no real timing benefit from using derogations. The table provided below has done most of the work required to identify the necessary licence amendments.

We note that in the section of the consultation looking at Shipper licence conditions Ofgem proposes to remove the obligation in Shipper standard licence condition 8 to send the Supplier id to the Transporter.

“We propose to remove the obligation for shippers to provide the specified information for all premises (i.e. not just those recorded on the CSS). This is on the basis that CSS will provide this information to Xoserve for sites recorded on it and the UNC/IGT UNC will place any necessary requirements on shippers for sites not recorded on the CSS.”

Clearly if the Shipper is not obligated by licence to pass the specified information to the Transporter, for both CSS and non-CSS Supply Points, then the Transporter should not have a licence obligation to record it. We agree that the UNC provisions are sufficient to mandate the required flows. Ofgem’s position clearly supports the detail of our proposal below regarding the Transporter condition A31.

SSSC 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 an licence obligation

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SSSC A31	Description	UNC/DSC delivery	REC implications	Additional notes	Proposed amendment
					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 in 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 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. (As 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	RGMA flows unchanged	For CSS/REC service this data would need to be	No change

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SSSC A31	Description	UNC/DSC delivery	REC implications	Additional notes	Proposed amendment
		(MTD) as provided by the shipper through RGMA flows		provided by Xoserve	
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 have permission to view the REL	Insofar as this relates to the Retail Energy Location then the obligation should be removed as this is 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
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	N/A	N/A	s10 Gas Act, UNC, UIP	No change

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SSSC A31	Description	UNC/DSC delivery	REC implications	Additional notes	Proposed amendment
	person refuses to enter into contract			FCA, connections agreements	
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

It is worth pointing out that the Data Enquiry Service (DES) is provided to discharge SPAA Schedule 23 and for operational purposes for shippers and GTs. It is not as a direct result of this Standard Special Condition A31.

Yours sincerely,



Carly Evans
Head of Regulation
Wales & West Utilities

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