

Decision on statutory consultations on proposals to modify licence conditions related to the Switching Programme

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This document sets out our decision to implement modifications to the following licences:

- Standard conditions of Electricity Supply Licence
- Standard conditions of Gas Supply Licence
- Standard conditions of Electricity Distribution Licence
- Standard conditions of Gas Shipper Licence
- Standard Special Conditions applicable to both National Transmission System and Distribution Network Licensees – Part A (Gas Transporter Licence)

These changes are required for the Faster and More Reliable Switching Programme (the Switching Programme). The Switching Programme will transform current gas and electricity switching arrangements, resulting in faster, more reliable switching for consumers.

This decision letter is a combined response to two separate statutory consultations on licence changes required for the Switching Programme that we issued recently:

1) *Statutory Consultation on licence changes for the Switching SCR: Standard conditions of Electricity Supply Licence and Standard conditions of Gas Supply Licence* - Published 13 December 2021, closed 25 January 2022.¹

2) *Statutory Consultation on licence changes for the Switching SCR: Standard conditions of Gas Shipper, Gas Transporter and Electricity Distribution licences* - Published 17 February 2021, closed 22 March 2022.²

The proposals that consulted upon as part of these statutory consultations built upon the prior work of the Switching Programme, and were developed through consultation with industry.

This document outlines our reasoning for our decisions to implement these modifications to the licence conditions, including how responses received to the statutory consultations have been taken into account.

¹ Link [here](#) to the Dec 2021 Switching Programme gas supply and electricity supply SLC statutory consultation on the Ofgem website

² Link [here](#) to the Feb 2022 Switching Programme gas shipper SLC, gas transporter SSC and electricity distribution SLC statutory consultation on the Ofgem website

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Executive summary

On 13 December 2021 we³ launched a statutory consultation on modifications that we proposed to make to the following licences. This consultation closed on 25 January 2022.⁴

- Standard conditions of Electricity Supply Licence
- Standard conditions of Gas Supply Licence

On 17 February 2022 we then launched a separate statutory consultation on modifications that we proposed to make to the following licences. This consultation closed on 22 March 2022.⁵

- Standard conditions of Electricity Distribution Licence
- Standard conditions of Gas Shipper Licence
- Standard Special Conditions applicable to both National Transmission System and Distribution Network Licensees – Part A.

Both consultations form part of the Switching Programme, which will transform current gas and electricity switching arrangements and result in faster, more reliable switching for consumers. This decision letter is in response to both consultations and sets out our decisions to amend all five licences as required for the Switching Programme, including our reasoning for making those decisions.

These licence changes shall take effect at the 'go live' date for the new Central Switching Service (CSS), the date and time of which is to be designated by the Authority. This date, which is also the 'CSS Go-Live Date' as defined in the Retail Energy Code (REC), shall not be less than 56 days from the date of publication of this decision (noted at the top of this document). The CSS Go-Live Date is currently anticipated to be, and will not be earlier than, 18th July 2022.

³ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

⁴ Link [here](#) to the Dec 2021 Switching Programme gas supply and electricity supply SLC statutory consultation on the Ofgem website

⁵ Link [here](#) to the Feb 2022 Switching Programme gas shipper SLC, gas transporter SSC and electricity distribution SLC statutory consultation on the Ofgem website

1. Introduction

Context and related publications

1.1. This decision is part of Ofgem’s Switching Programme, details of which can be found on the Ofgem website.⁶

1.2. Prior to the two statutory consultations we are responding to here, we last consulted on the licence changes proposed for the Switching Programme in November 2020, as part of our joint consultation with proposed licence changes for Retail Code Consolidation (RCC).⁷ The November 2020 consultation proposed changes to a total of six licences:

- Standard conditions of Electricity Supply licence
- Standard conditions of Gas Supply licence
- Standard conditions of Gas Shipper licence
- Standard Special Conditions applicable to both National Transmission System and Distribution Network Licensees – Part A (Gas Transporter Licence)
- Standard conditions of Electricity Distribution licence
- Smart Meter Communication licence

1.3. We then published a statutory consultation to introduce the licence changes required for RCC in April 2021.⁸ Following our subsequent decision on 2 July 2021, those licence changes entered into force in September 2021, in order to reflect the changes brought about by RCC and the coming into effect of version 2.0 of the REC (REC v2.0).⁹

1.4. This decision relates to the licence changes now required for the Switching Programme and the coming into effect of version 3.0 of the REC (REC v3.0).

1.5. As well as through consultation responses, we have also developed our thinking through engagement with industry stakeholders, particularly through the Switching

⁶ Link [here](#) to the Switching Programme homepage on the Ofgem website

⁷ Link [here](#) to the Nov 2020 RCC / Switching Programme policy consultation on the Ofgem website

⁸ Link [here](#) to the April 2021 RCC statutory consultation on the Ofgem website

⁹ Link [here](#) to the July 2021 RCC statutory consultation decision on the Ofgem website

Programme Regulatory Design User Group (RDUG), which is the open working group for developing and refining the content of the Retail Energy Code.

What did we consult on?

1.6. Our statutory consultations proposed to modify licence conditions, including Standard Licence Conditions (SLCs) and Standard Special Conditions (SSCs), as part of the Switching Programme.

1.7. The consultations were informed by our analysis of responses to our November 2020 policy consultation, which concluded that stakeholders were broadly supportive of the proposed changes to the licences.

1.8. The consultations proposed modifications to the following conditions of the licences. These modifications are intended to be the final licence changes required for the implementation of the Switching Programme.

Electricity Supply SLCs

- Condition 1. Definitions for standard conditions
- Condition 11. Compliance with Industry Codes
- Condition 14. Customer transfer blocking
- Condition 14A. Customer transfer
- Condition 50. Smart Metering – Continuation of Arrangements on Change of Supplier

Gas Supply SLCs

- Condition 1. Definitions for standard conditions
- Condition 14. Customer transfer blocking
- Condition 14A. Customer transfer
- Condition 17. Mandatory exchange of information
- Condition 22D. Dead Tariffs
- Condition 23. Notification of Domestic Supply Contract terms
- Condition 24. Termination of Domestic Supply Contracts

- Condition 44. Smart Metering – Continuation of Arrangements on Change of Supplier

Electricity Distribution SLCs

- Condition 1. Definitions for standard conditions

Gas Shipper SLCs

- Condition 8. Information as Respects Premises Served
- Condition 13. Meter Point Information Furnished by a Gas Transporter
- Condition 14. Provisions Relating to Transfer of Customers

Gas Transporter SSCs (Part A)

- Standard Special Condition A31. Supply Point Information Service

Our decision making process

1.9. In addition to the December 2021 and February 2022 statutory consultations, we consulted on these proposed licence changes in two previous policy consultations, in June 2019¹⁰ and November 2020¹¹. We have also discussed the proposals at RDUG, where appropriate.

1.10. A total of 19 responses were received to the December 2021 and February 2022 statutory consultations, including 10 in response to the gas and electricity supply licences consultation (one of which was marked confidential), and nine in response to the consultation on the gas shipper, gas transporter and electricity distribution licences.

1.11. We have carefully considered all responses before making our decision on the licence changes. The 18 non-confidential responses are published on the Ofgem website on the page relating to the relevant consultation.¹²

¹⁰ Link [here](#) to the June 2019 RCC / Switching Programme policy consultation on the Ofgem website

¹¹ Link [here](#) to the Nov 2020 RCC / Switching Programme policy consultation on the Ofgem website

¹² Link [here](#) to the gas and electricity supply statutory consultation responses, and [here](#) to the electricity distribution, gas shipper and gas transporter statutory consultation responses

Your feedback

General feedback

1.12. We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this report. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall quality of this document?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Are its conclusions balanced?
5. Did it make reasoned recommendations?
6. Any further comments?

Please send any general feedback comments to switching.programme@ofgem.gov.uk.

2. Stakeholder feedback on statutory consultation – Electricity supply and gas supply SLCs

Section summary

This section summarises the responses that we received to our December 2021 statutory consultation on proposed changes to the electricity supply and gas supply SLCs to reflect the wider changes being proposed under the Switching Significant Code Review (SCR).

Consultation questions:

Question 1: Do you agree that the proposed changes to the Electricity Supply Standard Licence Conditions will ensure the licence reflects the necessary conditions for implementation of the Switching Programme?

Question 2: Do you agree that the proposed changes to the Gas Supply Standard Licence Conditions will ensure the licence reflects the necessary conditions for implementation of the Switching Programme?

Summary of responses

2.1. Ofgem received ten representations to the consultation on the electricity and gas supply SLCs, one of which was marked confidential.

2.2. Given the similarity of the two licences, many of these responses have relevance to both of the licences. A number of respondents noted that their comments should be applied to both sets of licences.

2.3. The majority of respondents were supportive of the proposed licence modifications.

2.4. One respondent noted that electricity supply SLCs 11.10 and 11.11 needed amending to reflect that the governance of the Green Deal Arrangements Agreement (GDAA) has changed.¹³

2.5. One respondent enquired as to why a change was being proposed to the definition of GDAA in SLC 1.3 of the electricity supply SLCs, as some of the wording was double underlined in the marked up version of the licence text, indicative of a change being proposed. To be clear, this is a mistake. The change as denoted there had already been proposed and was intended to have been made as part of the RCC licence changes as reflected in the July 2021 decision letter and notice.¹⁴ No further changes to the GDAA definition in the electricity supply SLCs are being proposed or implemented as part of this decision.

Stakeholder feedback on statutory consultation

2.6. We received the following comments related to the proposed changes to the gas and electricity supply SLCs, arranged by topic.

Market conditions and extensions to the implementation date

2.7. Four respondents expressed the view that, given current market conditions, which include high and volatile wholesale energy prices, the move to reduced switching timescales under the licence should be delayed.

2.8. They observed that, should significant changes in wholesale market prices occur, there is in their view a chance that price volatility may cause a spike in switching activity around the time of Switching Programme go live. They considered that, although the new switching mechanisms have been designed to be robust, there is the risk that additional and unforeseen problems may arise under live market conditions, particularly if the

¹³ See [here](#) for the Authority's August 2021 decision on facilitating transfer of governance from the GDAA to the REC

¹⁴ Link [here](#) to the July 2021 RCC statutory consultation decision on the Ofgem website

mechanisms are placed under additional stresses by high volumes of switches and cancellations taking place within a short period of time.

2.9. Some of these respondents therefore argued for a phased introduction of the switching programme, where the new switching systems would be introduced at the planned go live date so that the associated benefits of 'more reliable switching' could be realised as planned, but that the requirements around reducing switching timescales be delayed until market conditions are more favourable.

2.10. Some of the responses further noted a potential benefit of allowing the new systems to undergo additional testing under real world conditions, which would allow additional time for any unforeseen problems to be identified and resolved before faster switching became a requirement under the licence.

Ofgem Response

2.11. We have carefully considered these representations. Whilst we note the comments received, we are not supportive of delaying the introduction of the regulatory requirements around faster switching. The cutover arrangements mean that volumes of switches to be processed by the CSS will be controlled immediately following go-live to ensure system stability at and after cutover. The CSS has been designed to be able to deal quickly with significant increases in volumes if necessary. If there is high demand for switching in the early months of operation of the new switching system, it is not obvious that a delay to changing the required switching speed would have any impact on when those switches are submitted to the CSS. Consumers are likely to be keen to take advantage of new offers quickly and we would expect suppliers to be responsive to consumer demand, rather than artificially delaying switches to the latest permitted date.

2.12. Given this, we do not see sufficient cause to postpone the shortening of switching timescales in the SLCs. We therefore intend to proceed with introducing the provisions in the licence around reduced switching timescales as set out in the consultation, notwithstanding any other changes we are making in response to the statutory consultations as described below.

Non-CSS site exemption (gas SLCs only)

2.13. One respondent queried the lack of a proposed amendment in the consultation to introduce an exemption from the five day switching requirement for non-CSS sites in the gas supply licence. They noted that, for those sites where registration is governed under the Uniform Network Code (UNC) such as those connected to the National Transmission System (NTS), it was understood that switching timescales would remain as they are and not be shortened to five days, which they noted requires an exemption in the licence from the new requirements.

Ofgem Response

2.14. Having carefully considered the point made, we agree that there is a gap in the proposed licence requirements meaning that, as written, these sites would be covered by the five working day switching requirement, which is not the policy intention.

2.15. We previously set out in our second iteration of the Target Operating Model (TOM) that the small number of sites not connected to the gas distribution network were out of scope of the Switching Programme and should sit out of the remit of the CSS, with governance remaining under the Uniform Network Code (UNC).¹⁵ We then wrote to Programme participants on 01 April 2021 reiterating this policy position. This affects approximately 220 gas supply points.

2.16. We therefore agree with the respondent that, as written, the gas supply licence does not provide an exemption for these non-CSS sites from the requirements of SLC 14A as intended. We are therefore introducing a new condition SLC 14A.0 which provides for this exemption, which was not proposed in the statutory consultation documentation. This change also requires the introduction of a new definition in SLC 14A.20 to describe sites within scope of the CSS and therefore subject to the requirements of SLC 14A, as follows:

New SLC 14A.0:

14A.0 Condition 14A applies only to Registrable Measurement Points

New definition of Registrable Measurement Points in SLC 14A.20:

¹⁵ Link [here](#) to the second iteration of the TOM on the Ofgem website. Please refer to pages 8 and 9.

"Registrable Measurement Point" has the meaning given to that term in the Retail Energy Code.

The definition of Registrable Measurement Point as set out in the REC is as follows:

Registrable Measurement Point: means a Supply Meter Point or Metering Point identified in the Central Switching Service

2.17. We think that the introduction of this new SLC 14A.0 and definition of Registrable Measurement Point in SLC 14A.20 adequately provide for the intended exemption of non-CSS sites from the requirements of SLC 14A.

2.18. These provisions, intended to reflect the previously-stated policy position, will take effect as part of the modifications to the gas supply SLCs being made as part of this decision. If any affected stakeholder has specific concerns about this particular change then they are invited to contact us in the Switching Programme as soon as possible to discuss those concerns before these changes come into effect

Definition of Industry Codes (gas SLCs only)

2.19. Although not an area that we consulted on as part of the statutory consultation, one respondent noted that the definition of Industry Codes as set out in SLC 1.2 is out of date, as it still refers to the Supply Point Administration Agreement (SPAA).

2.20. The same respondent also noted that the definition does not encompass all of the relevant gas codes, as it only includes references to the REC and the SPAA. The definition is therefore missing reference to the Smart Energy Code (SEC), the Uniform Network Code (UNC) and the Independent Gas Transporters' Uniform Network Code (IGT UNC).

2.21. The definition itself is referenced only in SLC 11.3, which relates to consequential changes to industry codes as a result of changes to the REC.

Ofgem Response

2.22. We agree that from a housekeeping perspective the definition of Industry Codes in the gas SLCs could usefully be updated to include all relevant gas codes, as well as

removing reference to the now defunct SPAA. We are therefore introducing the following amendment to the definition of Industry Codes in SLC 1.2:

Industry Codes means either of:

(a) *the Retail Energy Code; or*

(b) ~~*the Supply Point Administration Agreement*~~ *the Smart Energy Code; or*

the Uniform Network Code; or

the Independent Gas Transporters' Uniform Network Code

Consequential changes to other SLCs

2.23. Two respondents expressed concerns around the impacts faster switching would have upon existing conditions set out in the SLCs relating to grace periods for consumers following changes to their terms and conditions, in particular conditions 22D - Continuation of dead tariffs, Condition 23.6 - Notification of a disadvantageous change to contract terms or charges and Condition 24.10 - Notification at the end of a fixed term contract. The respondents called for further clarification from Ofgem on whether changes are required here.

Ofgem Response

2.24. We considered this concern within our consultation document (paragraph 2.44). As noted there, whilst we agree that there could be merit in considering an amended grace period for the relevant provisions of those SLCs, we do not consider that such modifications are within scope of the Switching Programme, and do not consider that they are required now ahead of the programme going live. We do, however, note the point made and will keep it under review once the new arrangements have gone live.

Non DCC enrolled meters / Prepayment meters

2.25. One respondent noted an issue regarding faster switching in the case of non-DCC enrolled meters, as these meters require the losing supplier or its agent to pass relevant information over to the gaining supplier. It was noted that the proposed new arrangements do not provide adequate accountability when delays occur in cases where this information is not passed across in a timely manner.

2.26. Similarly, two respondents identified potential problems in terms of achieving switching faster than five working days for customers that have legacy prepayment meters installed. The main issue identified was the need to provide these customers with new physical top up devices, which would not be practical within a timeframe shorter than five working days. The point was made that this could result in customer confusion and dissatisfaction.

Ofgem Response

2.27. We have carefully considered these responses. In our consultation document (paragraphs 2.50-2.51), we had stressed that the reforms proposed as part of the Switching Programme will apply to all relevant meter types. In addition, while recognising that non-DCC meters are more complex to switch than DCC-enrolled smart meters are, we expressed the view that we did not recognise any reasons why suppliers should be unable to implement the requisite business processes in order to ensure that these meters can be switched within five days. We remain of that view, as we do not believe that the parties have submitted any new information that has not already been considered as part of previous consultations.

2.28. In the event that a particular meter will take longer to switch we would expect suppliers to communicate effectively with customers and set out clear expectations on timeframes, as well as paying out any relevant compensation that the consumer may be entitled to under the automatic compensation framework.

'Cooling Off' rights (Condition 14A.14)

2.29. A small number of respondents expressed concerns that, due to prevailing market conditions including price volatility, there is a risk that atypical numbers of customers cancel switches part way through the switching process, requiring the losing supplier to return them to default Deemed Contract terms. It was argued this would be to the detriment of the gaining supplier as it would require them to make financial outlays in anticipation of gaining a new customer, such as taking hedged positions for the purchase of energy to supply that customer, which they would be unable to recover afterwards.

2.30. A number of respondents have requested that Ofgem monitor this risk, or conduct additional impact assessments or consultations, in order to ascertain the scale of the

impact that this might have, and to consider whether additional changes should be made to protect against this.

Ofgem Response

2.31. We have carefully considered these responses. In our consultation document (paragraphs 2.69-2.74) we stressed that we felt the proposals as drafted would strike a fair balance between ensuring that consumers are appropriately protected, whilst still providing a proportionate regulatory regime for suppliers.

2.32. Although we recognise the additional pressures that current market conditions are placing upon the entire energy sector, we feel that the rights of consumers to cancel switches during the cooling off period are an important safeguard and we do not agree that removing or amending this right would be a proportionate response. In any case we note that, irrespective of the nature of the licence provisions, these rights for consumers are provided by statute under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013.¹⁶

Price Comparison Websites

2.33. One respondent raised the issue of the potential for customer confusion around switching timeframes when a switch is initiated through a Price Comparison Website. It was noted that the time lag between the customer providing the information required and the supplier securing the switch in their system may lead to issues with the interpretation of when the contract has been entered into, and therefore the Relevant Date for the switch as defined in the SLCs.

Ofgem Response

2.34. We noted in our consultation document that we would expect suppliers and their representatives, including Price Comparison Websites or Third Party Intermediaries, to work together to develop appropriate communications for consumers in order to ensure they are

¹⁶ Link here to the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

adequately informed around expected switching timeframes under different circumstances, including where a Price Comparison Website is involved.

Relevant Date

2.35. Two respondents felt that the revised definition of Relevant Date does not obviate the need for condition 14.A3(c), which was proposed for removal from the licences in the statutory consultation. That condition sets out that a switch should only proceed once the licensee has all of the information required, having taken all reasonable steps to obtain it from the customer (and not being able to readily obtain the missing information from other sources). The concern was raised that removing that condition would mean the five working day timeframe would commence once the customer had provided what they felt was sufficient information, which may not meet the supplier's expectation of sufficient information that they require to progress the switch. The respondent felt it unreasonable that a licensee should be expected to facilitate a customer switch when it does not have all of the required information.

Ofgem Response

As set out in the consultation, the proposed definition of Relevant Date now includes the condition that the customer "has provided the Supplier or its Representative with sufficient information to conduct the switch", so the 5 working day SLC requirement is still tied in part to sufficient information having been provided. We therefore reiterate our view that condition 14.3(c) is not required.

Related Metering Points

2.36. One respondent expressed the view that the defined term 'Related MPAN' should not be removed as proposed. They observed that, although Ofgem's view was that this defined term is no longer required as all related metering points will be linked in CSS, and that suppliers will not be permitted to request to prevent a switch on the grounds the meter point is related, they feel that there is a risk that a Meter Point Administration Number (MPAN) might become inadvertently split at a Change of Supply event, and that the removal of this term might remove the protections that exist for suppliers. They argue that these provisions should be retained for the present and only removed after go live of the Switching Programme once it was clear they were not required.

Ofgem Response

2.37. We set out in our consultation document (paragraph 2.56) that we would only delay the removal of the right of suppliers to object to a switch on the grounds that it was related to a meter point held by another licensee in the presence of evidence to suggest it was required. We also set out that we would expect the REC Performance Assurance Board (PAB) to monitor the issue to ensure it was not a concern. Given that we have not seen any substantive evidence suggesting otherwise, we reiterate our intention to remove this right to object to a switch, including the definition of Related Metering Point, from the licences.

Customer Transfer (Condition 14A)

2.38. One respondent identified what they believe to be a typographical error in Condition 14A.4A, noting that the phrase 'the earlier of the expiry of:' should read 'the later of the expiry of:' in condition 14A.4A for points (a) and (b) to work as intended.

Ofgem Response

2.39. Condition 14A.4A relates to the specific circumstances of a switch where a domestic customer has, despite receiving prompts, not expressly requested to start their supply before the expiry of the Cooling Off Period. Under these circumstances, the five working day switch requirement does not apply, and the switch would instead need to be completed either a) within five working days of the end of the Cooling Off Period or b) within five working days of the expiry of the 14 day period following the start of the contract, whichever is sooner.

2.40. Consequently, and in line with the goals of the Switching Programme, should these circumstances apply we would expect switches to be implemented within whichever is the earlier of these two dates, rather than the later.

2.41. We therefore regard the original drafting as correct and will not be amending Condition 14A.4A as suggested.

Obligation to improve switching systems (Condition 14A.7)

2.42. One respondent requested that this condition be amended such that compliance with this obligation would not be required in the event of a force majeure that is beyond the control of the licensee.

Ofgem Response

2.43. Obligation 14A.7 mandates that “in order to achieve fast and reliable Supplier Transfers, in accordance with intended timeframes, the licensee must take all reasonable steps to maintain, and where appropriate, improve the relevant systems, processes and data that facilitate the Supplier Transfer process”.

2.44. This obligation is intended to improve switching systems in line with the intended policy outcome of achieving faster, more reliable switching and a better consumer experience, building towards next day switching.

2.45. Whilst we recognise the point made, we believe that the wording as written, including the phrase “...all reasonable steps...”, would be a sufficient safeguard in such cases. We do not therefore intend to amend Condition 14A.7 from the proposed wording as set out in the consultation.

3. Summary of Decisions - Electricity supply and gas supply SLCs

Section summary

This section summarises our decision to modify the electricity supply SLCs and the gas supply SLCs in order to introduce the requirements for the Switching Programme.

3.1. Our statutory consultation of 13 December 2021 proposed making a number of modifications to the text of the electricity supply SLCs and the gas supply SLCs.

3.2. We have carefully considered the representations received in response to the statutory consultation. As set out in chapter 2, we are proceeding to make the changes largely as proposed in the statutory consultation, with three additional changes.

3.3. In summary, we have decided to make the following changes.

Summary of decisions – Electricity supply SLCs

Condition 1. Definitions for Standard Condition

(condition 1.3)

- New definition of Green Deal User

This definition is required to provide for obligations set out in the amended SLC 11.10 and SLC 11.11 for mandatory and voluntary green deal licensees to qualify as a Green Deal User under the REC. It was intended for this to be introduced as part of the licence changes for RCC; however, as explained above, it was missed in error from the decision letter and notice in July 2021.

- Moved definitions of “New Supplier” and “Old Supplier” from SLC 50 to SLC 1.

These terms were previously set out in SLC 50 of the electricity supply SLCs only. Given that these terms are now also used in SLC 14A, we have moved them to SLC 1 which applies the relevant definitions more generally across the licence.

- Removed definition of "Related Metering Points".

The term "Related Metering Points" is only used in the context of objections in SLC 14. As we are removing the right for a supplier to object to a switch in circumstances where not all of the Related Metering Points are being switched, this definition is therefore no longer required.

- Removed definition of "Supply Effective From Date".

This term will no longer be needed. This term was used in SLC 14.2(c) and 14.4(d), which link to the ability for a supplier to object if the meter point in question has Related Meter Points which are not being included as part of the proposed switch. As above, as Related Metering Points are expected to be formally linked within CSS, so that they cannot be switched independently, this process, and therefore this term, is no longer required.

Condition 11. Compliance with Industry Codes

Green Deal Arrangements Agreement

(conditions 11.10 to 11.11)

- Amended the conditions placing obligations on a licensee, if a mandatory or voluntary green deal licensee, to comply with various provisions of the Green Deal Arrangement Agreement (GDAA)

This condition is being amended to instead obligate a licensee, if a mandatory or voluntary green deal licensee, to be a "Green Deal User", defined as an entity which has qualified as such under the REC and are therefore already obligated under the code to comply with the necessary provisions. This requires the introduction of a new definition of "Green Deal User", see above. As with the definition, this modification was intended to be introduced as

part of the licence changes for RCC, however it was missed in error from the decision letter and notice in July 2021.

Condition 14. Customer Transfer Blocking

Non-domestic and Domestic Customer transfer blocking

(non-domestic customers: conditions 14.2 to 14.3)

(domestic customers: conditions 14.4 to 14.11)

- Removed the condition that allowed a switch to be cancelled if both the old and new suppliers were in agreement that it had been initiated in error.

Instead, under the new arrangements the new Annulment or Switch Withdrawal processes should be used instead. This applies to both domestic and non-domestic customers.

- Removed the condition that allows the old supplier to cancel a switch if the meter point in question has Related Meter Points which are not being included as part of the proposed switch.

Under the new arrangements, all related Meter Point Administration Numbers (MPANs) are expected to be formally linked within CSS, so that they cannot be switched independently. This applies to both domestic and non-domestic customers.

- Included a new condition allowing the old supplier to cancel a switch if the non-domestic customer informs them that they have not entered into a new contract with the new supplier, and do not want the switch to proceed.

This change applies to non-domestic customers only, as the provision already exists for domestic customers. This reflects our decision on annulment policy set out in Appendix 1 of the Outline Business Case (OBC) (paragraph 1.18).¹⁷

¹⁷ Link here to the [Outline Business Case](#) on the Ofgem website

- Removed the condition that an old supplier can prevent a switch if the customer remains bound by the provisions of a particular kind of contract that ends after the date of the proposed switch.

This change applies to domestic customers only. Note, this condition ceased to have effect on 01 April 2008, so removing the condition as part of this process is a formality.

- Extended the condition that requires suppliers to retain evidence of an annulment request for a domestic customer switch for a period of 12 months, to also include non-domestic customer switches.

This amendment aligns the requirements on retaining evidence of annulment requests for non-domestic and domestic customer switches.

- Removed the condition that requires the old supplier to notify the new supplier when an annulment has taken place.

Under the new arrangements, this notification will be sent automatically through the CSS.

Condition 14A. Customer Transfer

Obligation to complete a Supplier Transfer within a defined period of time

(conditions 14A.1 to 14A.6)

- Removed condition 14A.3(c), which provides the licensee with an exemption from completing a switch within the required timescales in the event that it “does not have all of the information it requires in order to complete the Supplier Transfer”.

As we have now included the condition that the supplier must have sufficient information to conduct the switch within the definition of Relevant Date itself, this exemption is redundant and can be removed.

- Changed all conditions referencing the requirement for a switch to be completed within 21 calendar days to “as soon as reasonably practicable, and in any event, within five Working Days of the Relevant Date” to reflect the intended policy position.

Our intention here is to reflect the revised regulatory backstop provision moving from 21 calendar days to five working days, and the Switching Programme expectation that customers will be switched more quickly than that. We expect that after an initial transition period following go-live, domestic customers will be switched the next day, and non-domestic customers the day after, unless they have chosen a longer switch period. There is a consequential amendment made to SLC 14A.7 as noted below.

- Amendment of clause 14A.2 that requires licensees to include a term in customer contracts regarding the switch speed *if the contract was entered into after the date on which the Electricity and Gas (Internal Markets) Regulations 2011 entered into force*. We are removing the reference to the Regulations in the condition, such that the licensee must include the term around switch speed in all contracts entered into with a customer.

As the Regulations have now been in force for over 10 years, we think it is unnecessary to retain this condition.

- Included a new condition in order to reflect the intended policy position setting out that if a domestic customer, having been prompted by the new supplier, does not agree to taking supply from the new supplier before the end of the Cooling Off Period, the five working day switch requirement does not apply. In this case, the switch must then be completed within five working days of either the end of the Cooling Off Period or the end of the 14 day period following the start of the contract, whichever is sooner.

This is to reflect the position that the licence should not place any obligation on a supplier to switch a customer within the Cooling Off Period where, having been asked, the customer does not agree to take a supply before the end of this period.

Obligation to improve switching systems

(condition 14A.7)

- Amendment of the condition setting an obligation on licensees to improve their switching systems.

The new condition requires licensees to take all reasonable steps to maintain and improve the required systems, processes and data that facilitate the switching process, in order that they can meet the requirements of fast and reliable switching, including next day switching.

Reference to the 21 day period has been removed to reflect the intended policy position of switches being completed within five working days.

Obligations where a Domestic Customer has cancelled a contract with a licensee
(conditions 14A.13 to 14A.17)

- Included a number of new conditions placing requirements on the new supplier (Supplier B) when a domestic customer cancels a switch during the Cooling Off Period, as follows:
 - If the supplier receives notification of the cancellation within the Cooling Off Period and prior to commencing the supply of electricity to the customer, the supplier must take all reasonable steps to prevent the switch from taking place
 - If the supplier receives notification of the cancellation within the Cooling Off Period and after commencing the supply of electricity to the customer, they must:
 - 1) Cancel the contract
 - 2) Not charge a termination fee
 - 3) Subject to (1) and (2) above, continue to supply the customer (on the same principal contract terms as immediately before the cancellation) until the earlier of:
 - a) The customer agreeing to a new contract with that supplier (Supplier B); or
 - b) The customer having agreed to a new contract with another supplier (Supplier C) and that supply has commenced; or
 - c) 15 working days after Supplier B has sent the information noted below to the customer setting out the customer's options and Supplier B's obligations.
 - 4) As soon as reasonably practicable after receiving notice of cancellation from the customer, send information to the customer regarding:

- a) the options the customer has, which are:
- i) entering into a new contract with that supplier (Supplier B)
 - ii) entering into an equivalent terms contract, as defined in the SLCs (see below), with the customer's previous supplier (Supplier A)
 - iii) entering into a new contract with another (third party) supplier (Supplier C)
 - iv) taking no action, in which case the customer will be entered into a deemed contract with Supplier B 15 working days after the information was sent from Supplier B to the customer
- b) the obligations on Supplier B to the customer

These changes reflect our policy decisions as set out in Appendix 1 of the OBC.¹⁸

Obligations on a licensee as the Old Supplier

(Conditions 14A.18 to 14A.19)

- Included a new condition setting out that where a domestic customer notifies the old supplier (Supplier A) that they have cancelled a switch to Supplier B during the Cooling Off Period, the old supplier must offer the domestic customer a contract on equivalent terms, as defined in the SLCs (see below), for a minimum period of 16 working days starting from the day that the customer's previous supplier became the "Old Supplier", which is defined as the supplier that was the customer's supplier immediately prior to the customer's most recent switch.

These changes reflect our policy decisions as set out in Appendix 1 of the OBC.¹⁹

¹⁸ Link here to the [Outline Business Case](#) on the Ofgem website

¹⁹ Link here to the [Outline Business Case](#) on the Ofgem website

Definitions for Condition

(Conditions 14A.20)

- Included new definitions for “Cooling Off Period” and “Equivalent Terms Contract”.

We have included the definitions of Cooling Off Period and Equivalent Terms Contract in order to provide for the introduction of the new requirements on suppliers in circumstances where a domestic customer cancels a contract within the Cooling Off Period, as described above (Conditions 14A.13 to 14A.19).

These changes reflect our policy decisions as set out in Appendix 1 of the OBC.²⁰

- Amended existing definitions of “Relevant Date” and “Valid Contract”.

The definition of Valid Contract is being amended to replace the use of the term “Transfer Request” with “application for a Supplier Transfer”, in order to align with the changes to the wording of the condition on Erroneous Transfers in SLC 14A.10.

The definition of “Relevant Date”, which is the trigger point for calculating the start of the period within which a switch must take place, is being amended in line with our policy positions as set out in paragraphs 2.4 to 2.11 in the statutory consultation.²¹

Other housekeeping changes

- Condition 14A.6 - Corrected “supply transfer” to “supplier transfer”, to reflect the defined term
- Condition 14A.10 – Removed reference to the Network Code and replaced with reference to the Retail Energy Code
- Conditions 14 and 14A - Corrected some minor formatting changes

²⁰ Link here to the [Outline Business Case](#) on the Ofgem website

²¹ Link [here](#) to the statutory consultation on the Ofgem website

Summary of decisions - Gas supply SLCs

Condition 1. Definitions for Standard Condition

(condition 1.2)

- Amended definition of “Industry Codes”

As explained above, this was not specified as a proposed change in the statutory consultation but was raised by a respondent to the consultation. We agree that the definition should be amended to remove reference to the now defunct SPAA, and to include reference to the SEC, UNC and IGT-UNC, and so we have made this change.

- Moved definitions of “New Supplier” and “Old Supplier” from SLC 44 to SLC 1.

These terms were previously applied in SLC 44 of the Gas Supply Licence only. Given that these terms are now also used in SLC 14A, we have moved them to SLC 1 which applies the relevant definitions more generally across the licence.

Condition 14. Customer Transfer Blocking

General Prohibition

(conditions 14.1 to 14.1A)

- New condition setting out that any objections used in relation to switches raised under the UNC will be treated as if they were raised under the REC. This may for example affect sites directly connected to the NTS or Liquefied Natural Gas (LNG) sites.

This reflects the change from gas switching being a shipper-led process under the UNC to a supplier-led process under the REC.

- References to the licensee asking or permitting a gas shipper to prevent a proposed supplier transfer have been replaced with references to the licensee making a request under the REC to prevent said transfer instead. This change has been made in various places throughout the licence.

This reflects the change from gas switching being a shipper-led process under the UNC to a supplier-led process under the REC. Note also that we are retaining requirements covering objections under the UNC and Independent Gas Transporters (IGT) UNC (IGT UNC). This is because while we expect that the vast majority of objections will focus on switching under the REC, we think that there may potentially be circumstances where objections are used for switches that happened under the UNC, for example associated with sites directly connected to the NTS or LNG sites. We therefore consider it prudent to retain a provision covering these instances so as not to reduce the level of protection afforded to these consumers after the introduction of the new switching arrangements.

Non-domestic and Domestic Customer transfer blocking

(non-domestic customers: conditions 14.2 to 14.3)

(domestic customers: conditions 14.4 to 14.11)

- Replaced references to notices being sent under UNC requirements with references to the REC instead.

This reflects the fact that gas switches will change from being a shipper-led process under the UNC to a supplier-led process under the REC.

- Removed the condition that allowed a switch to be cancelled if both the old and new suppliers were in agreement that it had been initiated in error.

Instead, the new Annulment or Switch Withdrawal processes should be used. This applies to both domestic and non-domestic customers.

- Removed the condition that gave non-domestic gas suppliers the right to prevent a transfer on grounds of debt or contract, for contracts entered into prior to 05 January 2004.

This is on the basis that such contracts are likely to have expired or contain provisions that would permit objections under SLC 14.2(a).

- Included a new condition allowing the old supplier to cancel a switch if the customer informs them that they have not entered into a new contract with the new supplier, and do not want the switch to proceed.

This change applies to non-domestic customers only, as the provision already exists for domestic customers. This reflects our decision on annulment policy set out in Appendix 1 of the OBC (paragraph 1.18).²²

- Removed the condition that an old supplier can prevent a switch if the customer remains bound by the provisions of a contract that ends after the date of the proposed switch.

This change applies to domestic customers only. Note, this condition ceased to have effect on 01 April 2008, so removing the condition as part of this process is a formality.

- Extended the condition that requires suppliers to retain evidence of an annulment request for a domestic customer switch for a period of 12 months, to also include non-domestic customer switches.

This amendment aligns the requirements on retaining evidence of annulment requests for non-domestic and domestic customer switches.

- Removed the condition that requires the old supplier to notify the new supplier when an annulment has taken place.

Under the new arrangements, this notification will now be sent automatically through the CSS.

Condition 14A. Customer Transfer

Obligation to complete a Supplier Transfer within a defined period of time

(conditions 14A.0 to 14A.6)

- New condition 14.0 setting out that SLC 14A only applies to CSS sites. This condition also requires a new definition of “Registrable Measurement Points” (see below). Again, to note, these are new changes being made post-consultation that we did not explicitly consult on as part of the statutory consultation.

²² Link here to the [Outline Business Case](#) on the Ofgem website

This change is being made to provide an exemption for non-CSS sites from the requirements of SLC 14A, as these sites remain subject to the registration requirements under the UNC.

- Removed condition 14A.3(c), which provides the licensee with an exemption from completing a switch within the required timescales in the event that it “does not have all of the information it requires in order to complete the Supplier Transfer”.

As we have now included the condition that the supplier must have sufficient information to conduct the switch within the definition of Relevant Date itself, this exemption is redundant.

- Changed all conditions referencing the requirement for a switch to be completed within 21 calendar days to five working days or as soon as reasonably practicable (or equivalent drafting depending on the specific context of the condition) to reflect the intended policy position.

Our intention here is to reflect the revised regulatory backstop provision moving from 21 calendar days to five working days and the programme expectation that customers will be switched more quickly than that. We expect that after an initial transition period following go-live, domestic customers will be switched the next-day, and non-domestic customers the day after, unless they have chosen a longer switch period. There is a consequential amendment made to SLC 14A.7 as noted below.

- Amendment of clause 14A.2 that requires licensees to include a term in customer contracts regarding the switch speed *if the contract was entered into after the date on which the Electricity and Gas (Internal Markets) Regulations 2011 entered into force*. We are removing the reference to the Regulations in the condition, such that the licensee must include the term around switch speed in all contracts entered into with a customer.

As the Regulations have now been in force for over 10 years, we think it is unnecessary to retain this condition.

- Included a new condition setting out that if a domestic customer, having been prompted by the new supplier, does not agree to taking supply from the new supplier before the end of the Cooling Off Period, the five working day switch requirement does not apply. In this case, the switch must then be completed within

five working days of either the end of the Cooling Off Period or the end of the 14 day period following the start of the contract, whichever is sooner.

This is to reflect the position that the licence should not place any obligation on a supplier to switch a customer within the Cooling Off Period where, having been asked, the customer does not agree to taking supply before the end of this period.

Obligation to improve switching systems

(condition 14A.7)

- Amendment of the condition setting an obligation on licensees to improve their switching systems.

The new condition requires licensees to take all reasonable steps to maintain and improve the required systems, processes and data that facilitate the switching process, in order that they can meet the requirements of fast and reliable switching. Reference to the 21 day period has been removed to reflect the intended policy position of switches being completed within a minimum of five working days.

Obligations where a Domestic Customer has cancelled a contract with a licensee

(conditions 14A.13 to 14A.17)

- Included a number of new conditions placing requirements on the new supplier (Supplier B) when a domestic customer cancels a switch during the Cooling Off Period, as follows:
 - If the supplier receives notification of the cancellation within the Cooling Off Period and prior to commencing the supply of electricity to the customer, the supplier must take all reasonable steps to prevent the switch from taking place
 - If the domestic customer cancels their contract within the Cooling Off Period but the supplier either receives notification after starting to supply gas at the premises or failed to prevent the switch taking place, they must:
 - 1) Cancel the contract
 - 2) Not charge a termination fee

- 3) Subject to (1) and (2) above, continue to supply the customer (on the same principal contract terms as immediately before the cancellation) until the earlier of:
 - a) The customer agreeing to a new contract with that supplier (Supplier B); or
 - b) The customer having agreed to a new contract with another supplier (Supplier C) and that supply has commenced; or
 - c) 15 working days after Supplier B has sent the information noted below to the customer setting out the customer's options and Supplier B's obligations

- 4) As soon as reasonably practicable after receiving notice of cancellation from the customer, send information to the customer regarding:
 - a) the options the customer has, which are:
 - i) entering into a new contract with that supplier (Supplier B)
 - ii) entering into an equivalent terms contract, as defined in the SLCs (see below), with the customer's previous supplier (Supplier A)
 - iii) entering into a new contract with another (third party) supplier (Supplier C)
 - iv) taking no action, in which case the customer will be entered into a deemed contract with Supplier B 15 working days after the information was sent from Supplier B to the customer
 - b) the obligations on Supplier B to the customer

These changes reflect our policy decisions as set out in Appendix 1 of the OBC.²³

²³ Link here to the [Outline Business Case](#) on the Ofgem website

Obligations on a licensee as the Old Supplier

(conditions 14A.18 to 14A.19)

- Included a new condition setting out that where a domestic customer notifies the old supplier (Supplier A) that they have cancelled a switch to Supplier B during the Cooling Off Period, the old supplier must offer the domestic customer a contract on equivalent terms, as defined in the SLCs (see below), for a minimum period of 16 working days starting from the day that the customer's previous supplier became the "Old Supplier", which is to be defined as the supplier that was the customer's supplier immediately prior to the customer's most recent switch.

These changes reflect our policy decisions as set out in Appendix 1 of the OBC.²⁴

Definitions for Condition

(condition 14A.20)

- Included new definitions for "Cooling Off Period" and "Equivalent Terms Contract".

We have included the definitions of Cooling Off Period and Equivalent Terms Contract in order to provide for the introduction of the new requirements on suppliers in circumstances where a domestic customer cancels a contract within the Cooling Off Period, as described above (Conditions 14A.13 to 14A.19).

These changes reflect our policy decisions as set out in Appendix 1 of the OBC.²⁵

- Included new definition of "Registrable Measurement Point"

As explained above, this new definition is being introduced to define those sites within the scope of the CSS and Switching Programme, and therefore subject to the requirements of SLC 14A.

²⁴ Link here to the [Outline Business Case](#) on the Ofgem website

²⁵ Link here to the [Outline Business Case](#) on the Ofgem website

- Amended existing definitions of “Relevant Date” and “Valid Contract”.

The definition of Valid Contract is being amended to replace the use of the term “Transfer Request” with “application for a Supplier Transfer”, in order to align with the changes to the wording of the condition on Erroneous Transfers in SLC 14A.10.

The definition of “Relevant Date”, which is the trigger point for calculating the start of the period within which a switch must take place, is being amended in line with our policy positions as set out in paragraphs 2.4 to 2.11 in the statutory consultation.²⁶

Condition 17. Mandatory exchange of information

Information to Relevant Gas Shipper or Relevant Gas Transporter about premises (conditions 17.9 to 17.11)

- Removed the requirement on the new gas supplier to inform the relevant shipper as to whether the premises are domestic or non-domestic.

This amendment is reflective of the change from gas switching being a shipper-led process to a supplier-led process. Under the new switching arrangements, it will instead be a supplier requirement to provide this information to the CSS, which will in turn provide it to the Gas Retail Data Agent (GRDA) as part of its REC obligations.

Other housekeeping changes

- Condition 14A.6 - corrected “supply transfer” to “supplier transfer”

This error was corrected in order to reflect the defined term

- Conditions 14 and 14A - corrected some minor formatting issues

²⁶ Link [here](#) to the statutory consultation on the Ofgem website

- Conditions 22D.13(a), 23.6 and 24.10 - replaced instances of "the licensee receives Notice under the Network Code by way of the Relevant Gas Shipper" with "the licensee receives Notice under the Retail Energy Code".

This reflects the change from gas switching being a shipper-led process under the UNC to a supplier-led process under the REC.

4. Stakeholder feedback on statutory consultation – Electricity distribution SLCs, gas shipper SLCs and gas transporter SSCs – Part A

Section summary

This section summarises the responses that we received to our consultation into proposed changes to the electricity distribution SLCs, gas shipper SLCs and gas transporter SSCs (Part A) to reflect the wider changes being proposed under the Switching Significant Code Review (SCR).

Consultation questions:

Question 1: Do you agree that the proposed changes to the Electricity Distribution Standard Licence Conditions will ensure the licence reflects the necessary conditions for implementation of the Switching Programme?

Question 2: Do you agree that the proposed changes to the Gas Shipper Standard Licence Conditions will ensure the licence reflects the necessary conditions for implementation of the Switching Programme?

Question 3: Do you agree that the proposed changes to the Gas Transporter Standard Special Conditions (Part A) will ensure the licence reflects the necessary conditions for implementation of the Switching Programme?

Summary of responses

4.1. Ofgem received nine representations to the consultation. As it was a combined consultation across three licences, not all of the representations were relevant to all licences. In total we received five representations in response to question 1 (electricity distribution), no representations in response to question 2 (gas shipper) and four representations in response to question 3 (gas transporter).

4.2. Our analysis of responses indicated that respondents were broadly supportive of the proposed licence modifications, with some suggestions for further modifications which are addressed below.

Stakeholder feedback on statutory consultation

4.3. We received the following comments related to the proposed changes to the three licences, subdivided by individual licence.

Electricity distribution SLCs

4.4. As noted, we received five responses to question 1 concerning the proposed changes to the electricity distribution SLCs.

4.5. Four responses suggested changes to the proposed definition of 'Metering Point Administration Services ("MPAS")'. These responses all suggested an expansion of the clarification part of the definition to make clear that MPAS are provided in two elements, registration services and enquiry services, and services under each element are / may be referred to under different names across the different codes. This suggestion expands on the proposed definition as consulted on, which sought to provide clarity around the naming convention of individual MPAS but did not extend to differentiating between enquiry and registration services.

4.6. One response observed that the phrase, 'For the avoidance of doubt' in the definition of MPAS was stylistically out of line with terminology used elsewhere in the licence, and expressed concerns that this wording could be regarded as superfluous.

Ofgem Response:

4.7. We note the point about the inclusion of the wording 'For the avoidance of doubt', however we do believe it is appropriate wording to use in the licence as a means of making clear that the second paragraph is intended only for clarification purposes.

4.8. We agree with the suggestions made to expand the definition of MPAS to add further clarity around the naming conventions across different codes. We have also discussed the

updated proposed definition with industry, including the respondents themselves. We therefore intend to proceed with modifying the definition of MPAS in line with the suggestions put forward as follows (additions made post-consultation are set out in yellow highlight, and deletions made post-consultation are set out in green highlight):

Metering Point Administration Services:

means the service of that name that the licensee must operate and maintain in accordance with the requirements of standard condition 18 (Provision of and charges for Metering Point Administration Services) for the purpose of providing Metering Point Administration Services.

For the avoidance of doubt, the provision of the registration services of the a Metering Point Administration Services may be referred to by a name other than Metering Point Administration Services in any industry code, for example the 'Supplier Meter Registration Services' (SMRS) in the Balancing and Settlement Code, or the 'Electricity Retail Data Service' (ERDS) in the Retail Energy Code, whilst the provision of the enquiry service for Suppliers of the Metering Point Administration Services is referred to as the 'Electricity Enquiry Service' (EES) under the Retail Energy Code.

Gas shipper SLCs

4.9. No responses were received in response to the proposed changes to the Gas Shipper SLC.

Ofgem Response

4.10. We therefore intend to proceed with the licence modifications as consulted on.

Gas transporter SSCs (Part A)

4.11. Four responses were received in response to the proposed changes to the Gas Transporter Standard Special Conditions (SSCs).

4.12. Three of these responses expressed identical concerns with the proposed changes to Special Standard Condition (SSC) A31, which in turn requires conformity with SSC A15. Whilst noting that the changes being proposed to SSC A31 do address the issue previously raised of licensees being non-compliant with SSC 15, these respondents all observed that there is a risk that the discharging of an obligation via a code that the licensee is party to may lead to issues in future if the code is then amended.

4.13. The respondents suggest that further changes to SSC A31 are made to remove the licence obligation for a licensee to provide the services listed under SSC A15 in a particular way or to a particular standard, ie through a code that the licensee is already party to.

4.14. The respondents note that that this change does not necessarily need to be made now, but instead request that the issue be included for attention within Ofgem’s forward work plan.

Ofgem Response

4.15. Given that respondents agreed that the amendment to SSC A31 achieves the objective of addressing the compliance concern with SSC A15, we intend to proceed with amending the definition as consulted on.

4.16. We take note of the suggestion to include the issue or further consideration within Ofgem’s forward work programme.

5. Summary of Decisions - Electricity distribution SLCs, gas shipper SLCs and gas transporter SSCs – Part A

Section summary

This section summarises our decision to modify the electricity distribution SLCs, gas shipper SLCs and gas transporter SSCs (Part A), in order to introduce the requirements for the Switching Programme.

Summary of decisions

5.1. Our statutory consultation of 17 February 2022 proposed making a number of modifications to the text of the electricity distribution SLCs, gas shipper SLCs and gas transporter SSCs – Part A.

5.2. We have carefully considered the representations received in response to our statutory consultation. As set out in chapter 4, we are proceeding to make the changes largely as proposed in the statutory consultation, with some additional changes being made.

5.3. In summary, we have decided to make the following changes.

Summary of decisions – Electricity distribution SLCs

Condition 1 – Definitions for the standard conditions

- Amended the definition of “Meter Point Administration Services”

This change is designed to clarify and acknowledge that an MPAS service as provided by a licensee may be used to provide services required by the codes, services which are referred to using different names in the text of the individual codes. This is to account for the fact that the term MPAS is not used in the industry codes to refer to the type of service intended by the definition in the SLCs.

Summary of decisions - Gas shipper SLCs

Condition 8 - Information as Respects Premises Served

- Condition 8.2(a) - Removal of the requirement for the licensee to notify the relevant gas transporter as to the name of the supplier supplying gas to a particular site.

This condition is no longer required. Under the new arrangements, the CSS will provide this information to the Central Data Service Provider (CDSP) for gas transporters for CSS sites, whilst the UNC and IGT UNC will provide for any such necessary requirements for non-CSS sites.

- Condition 8.2 (b) - Housekeeping change related to above.

Because we have removed condition 8.2(a), a housekeeping change is required to condition 8.2 (b) to clarify that “such supplier” (previous wording) means “gas supplier supplying gas to the premises in question”.

- Condition 8.4 - Removal of requirement for the licensee to notify the relevant supplier of the relevant transporter's Meter Point Reference Number or code.

This condition is no longer required. Under the new arrangements, suppliers will have access to this information through the CSS.

- Condition 8.5 - Removal of requirement for Shipper to notify the relevant transporter if it intends to become the relevant Shipper at a particular premises, no less than 14 days in advance.

This condition is no longer required. Under the new arrangements, the CSS will provide this information to the CDSP for gas transporters as part of the switching process for CSS sites. The UNC and IGT UNC will provide for any such necessary requirements for non-CSS sites.

Condition 13 - Meter Point Information Furnished by a Gas Transporter

- Condition 13.1 - Removal of requirement for a licensee, when provided information by a Transporter contained within the Supply Point Information Service (SPIS) register (condition 31 of Gas Shipper licence), to restrict the use or disclosure of the data to others.

This is a housekeeping change. We are unaware of any designation having been provided under SLC 13. We consider that such restrictions on licensees, if considered necessary, should be set out under the REC or UNC/IGT UNC as appropriate.

Condition 14 - Provisions Relating to Transfer of Customers

- Condition 14.1 (a) - Removal of the requirement for the shipper to pass on a supplier's request to object to a switch.

Under the new arrangements, shippers will no longer have a role in managing the switching process for sites recorded on the CSS.

For non-CSS sites, relevant provisions will be made in the UNC and IGT UNC.

In instances where there is a switch undertaken by a shipper on behalf of a licensed supplier, outside of the CSS, we think that the provisions in the Gas Supply SLCs are sufficient to ensure that the objections process is only used in the correct circumstances. However, to cover instances where there is not a licensed supplier, for example if the supplier is exempt, we have retained provisions in SLC 14 that ensure that objections are correctly used.

Summary of decisions - Gas transporter SSCs (Part A)

Standard Special Condition A31: Supply Point Information Service

- Condition SSC A31.2A - Introduction of a new condition setting out that some of the services listed in SSC A31.2, which the licensee must provide through the CDSP, may instead be delivered by party other than the CDSP under a code that the licensee is party to.

SSC A15 (Central Data Service Provider) sets out that the licensees must provide for the appointment of a CDSP in order to deliver a series of services collectively known as the CDSP Services, which include the "Supply Point Information Service" (SPIS). The list of services that must be provided through the SPIS are set out in SSC A31.2 (Standard Special Condition A31: Supply Point Information Service).

This new condition is to allow for some of these services to be delivered through a body other than the CDSP from the "CSS Go-Live Date" onwards. The intent here is to clarify that some of the services listed may instead be delivered under a code that the licensee is a party to, such as through the REC via the Gas Enquiry Service (GES), as gas transporters are parties to the REC.

- Condition SSC A31.8 - Introduction of a new definition of "CSS Go-Live Date".

We are introducing an SSC definition of "CSS Go-Live Date" which mirrors that in the REC. The event is referenced in the proposed condition A31.2A (see above), as this is the point at which the new requirements around provision of SPIS services would enter into force.

6. Conclusions and next steps

6.1. This document sets out our decision on the licence changes required to implement the Switching Programme. It is our decision that these licence modifications should be made and shall take effect at the 'Go live' date for the new CSS. The 'CSS Go-Live Date', as defined in the REC, is the date and time to be designated by the Authority, and is currently anticipated to be 18 July 2022.

6.2. Ofgem must designate the 'CSS Go-Live Date', as defined in the REC. This shall not be less than 56 days from the date of publication of this decision (noted at the top of this document), and is currently anticipated to be 18 July 2022.

Appendix 1

1.1. The final licence modifications are available in redline version in the below subsidiary documents, available on the publication page for this document.

Title
Electricity Supply SLC changes
Gas Supply SLC changes
Electricity Distribution SLC changes
Gas Shipper SLC changes
Gas Transporter SSCs – Part A changes