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21st March 2022

Wales & West Utilities Limited (WWU) response to Ofgem statutory consultation on proposals to modify licence conditions related to the switching programme

Dear Nicola,

Thank you for the opportunity to respond to this consultation. WWU is a gas transporter serving 2.5 million supply points in Wales and south-west England. We are only responding to the question on Gas Transporter licence conditions.

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?

SSC A31 of the Gas Transporter Licence requires conformity with SSC A15, which in turn sets out the services listed in SSC A31.2 that must be provided by licensees through the Central Data Service Provider (CDSP).

We agree that adding condition 2A to the licence which acknowledges the possibility that some of these services may be delivered through a body other than the CDSP from "CSS Go-Live Date" address the compliance concern raised in our consultation response dated 15th January 2021. This acknowledges that some of the services listed in A31 may be delivered under a code that the licensee is a party to, such as through the Retail Energy code (REC). This means that the proposed changes to the Gas Transporter Standard Special Conditions reflect the necessary conditions for implantation of the switching programme.

While the proposed change addresses the immediate issue of licensees not being compliant with SSC A15, it still leaves a risk in that licence obligations are being delivered through a code that can be amended against transporters wishes and contrary to what is in the licence. We accept that the risk of REC services being amended so that they put a party in breach of licence is small; however, the risk remains. Our view is that if the provision of a service is in the REC or other industry code, such as the UNC, then a party should not be under a licence obligation to provide that service in a particular way, or to a particular standard. We therefore think that further changes are required to A31 to remove licence obligations to services that are now defined in REC and we suggest that Ofgem should include this in its forward work plan.

Yours sincerely,

Carly Evans
Head of Regulation
Wales & West Utilities

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