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Dear Ian

**Ofgem proposals: Gas Suppliers' Licence Standard Licence Condition 21 –
Publication of Information to Customers**

Thank you for giving ScottishPower Energy Retail Ltd (SPERL) the opportunity to comment on the above direction.

SPERL are supportive of Ofgem's aim to alleviate industry concerns over the existing obligations under Standard Licence Condition 21 (SLC 21) of the Gas Suppliers' Licence for Suppliers to provide the name and address of the gas transporter (GT) on customers' bills, post DN sales. In principle SPERL are supportive of the proposed option to replace the name and address, for customers connected to NGT's retained or sold DNs, with a customer enquiry service telephone number. However, we do have some concerns regarding the details and timescales of the direction. These concerns are outlined below.

Short Term Solution

Ofgem acknowledge that the option to provide a customer enquiry line, as opposed to the GT name and address, is a short term solution. SPERL would like to understand what length of time Ofgem consider to be short term? The direction does clearly state that longer term it is recognised that the requirements of SCL 21 should be reviewed to ensure that they are appropriate and will be reconsidered as part of the overall review of supply licence obligations. Is it Ofgem's intention that this short term solution will exist until the review of the supply licence obligations is fully completed? For the benefit of our customers, SPERL believe it is important that we understand this. Since the bill is one of the critical interfaces with our customers we endeavour to limit the number of occasions that we make changes to the information provided on the bill. This is as a direct result to customer feedback telling us that frequent changes can cause confusion. Within the direction Ofgem recognise the potential for customer confusion and have made endeavours to avoid this.

Implementation Date

SPERL have some issues regarding the proposed implementation date of 1st June 2005. We believe that this date may be unachievable. To allow sufficient time for system changes to be scoped and completed we feel the timescale is tight. This is due to the fact that there has been no confirmation of the availability of the customer enquiry service. SPERL have sought this information directly from Xoserve, who

have advised it will not be available until the first week in April. Since the direction clearly states this information must be provided development is being delayed.

IGT MPRN Ranges

Each IGT has been allocated a pre-determined range of MPRNs by Ofgem. During the course of the last couple of years, a number of acquisitions of IGT portfolios and assets have taken place. This has resulted in the MPRNs allocated to the customer base at the time of the acquisition being transferred to the acquiring IGT. However, the acquiring IGT will not take over the full allocation of MPRNs. They may choose to allocate MPRNs from their own range to premises where the meter has not yet been fitted.

On at least 2 occasions the GT Licence has been maintained by the incumbent IGT in the event that they decide to re-enter the market. Therefore there is a risk that the incumbent, if they decide to re-commence activity within the gas market, will generate MPRNs from the allocation previously assigned to them. If this was the case, a similar situation would occur as is currently present for NGT retained and sold DNs, in that it would no longer be easily recognisable who the customers GT was over an Independent Network.

ScottishPower would suggest that in order to overcome this problem, that IGTs are not permitted to use previously allocated MPRN ranges where they have sold their original customer base but that Ofgem issues a new range prior to business is resumed.

I trust that you find these comments helpful. Should you wish to discuss any aspect of this response please contact me on the above number.

Yours sincerely,

Lorraine McGregor
Energy Commercial
ScottishPower Energy Retail Limited