



*Bringing choice and value
to customers*

Global Utility Connections,
Shippers and other interested
parties.

Our Ref: Net/Cod/IGT
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1 June 2005

Dear Colleague,

Modification Proposal GUC003: 'To mandate the provision of the New Supplier identity to the Old Shipper as part of the ceased responsibility notice'.

Ofgem has considered the issues arising from modification proposal GUC003: 'To mandate the provision of the New Supplier identity to the Old Shipper as part of the ceased responsibility notice' and has decided to direct Global Utility Connections (GUC) to implement the modification, as we believe that it will better facilitate the achievement of the relevant objectives of GUC's Network Code, as set out in Standard Condition 9 of its GT licence. Ofgem also considers that this decision is consistent with its wider statutory duties. In this letter we explain the background to the modification proposal and outline the reasons for making our decision.

Background to the proposal

The Customer Transfer Programme (CTP), identified areas for improving the communication of customer information between suppliers during the customer transfer process. The end-to-end CTP solutions included a defined process where the Old Supplier sends information from its billing processes directly to the New Supplier using a new flow, called the Notification of Old Supplier Information (NOSI) Flow. The New Supplier can then use that information to identify issues early in the process, allowing them to take remedial action or manage the customers' expectation appropriately.

The modification proposal

The modification proposal seeks to modify the GUC Network Code such that it mandates the provision of the identity of the New Supplier to the outgoing Shipper.

The proposer considers the modification proposal will improve the robustness of the Change of Supplier process by improving the communication of customer information between suppliers during the customer transfer process, and providing the facility for the New Supplier to spot potential issues early in the transfer process.

The proposer therefore considers that the modification will better facilitate effective competition between relevant shippers and between relevant suppliers.

Respondents' views

Two representations were received to GUC's consultation on this modification proposal, both of which supported its implementation. One respondent considered that the modification proposal would help to improve the robustness of the Change of Supplier process. The other respondent commented that this modification is necessary in order to ensure that the initiatives developed as part of the CTP are implemented. In particular, without this change being implemented, the outgoing supplier does not know where to send its estimated reads.

GUC's view

GUC considers that the identity of the New Shipper being sent to the Old Shipper is an essential element in the work being carried out in improving the Change of Supplier process, as this will facilitate improved communication of information such as estimated reads.

Ofgem's view

The relative ease of switching between gas suppliers is fundamental to a competitive gas retail market. Ofgem considers that the initiatives developed by the CTP will generally improve the customer experience of changing supplier, increasing their confidence in the process and therefore further facilitating effective competition between suppliers. It is anticipated that this proposed modification to the GUC Network Code will benefit suppliers in a number of areas requiring supplier-to-supplier communication, and will therefore better facilitate the communication of customer information during the customer transfer process.

Ofgem's decision

For the reasons set out above, Ofgem has decided to direct GUC to implement modification proposal 003, as we consider that the modification will further the relevant objectives of the GUC Network Code, as set out in Standard Licence Condition 9 of its Gas Transporters Licence.

If you have any queries in relation to the issues raised in this letter, please feel free to contact Ndidi Njoku on 020 7901 7157.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. N. Simpson', written over a horizontal line.

Nick Simpson
Director, Modifications