

Modification proposal:	Supply Point Administration Agreement (SPAA) Change Proposal (CP) 08/116: Mandatory Provision of the "Notification of Supplier Information" (NOSI) flow within 4 working days.		
Decision:	The Authority ¹ directs that this proposal be made ²		
Target audience:	SPAA Parties and other interested parties		
Date of publication:	10 December 2008	Implementation Date:	February 2009 scheduled release

Background to the modification proposal

The relevant Network Codes outline the circumstances in which a new supplier, via their shipper, becomes registered to a Supply Point. The new supplier will then begin to appoint Metering Agents and will over time establish the billing record for that customer. This billing record will be based upon data received from the customer, the Gas Transporter (GT) and the supplier's Metering Agents.

Whilst the previous suppliers billing record will also have been based upon information provided by the GT and Metering Agents, it is likely that they will have been in regular contact with the customer during the time they were registered with them. Subsequently, the data held by the supplier may gradually have drifted out of alignment with that originally provided by the GT and metering Agent, being a more accurate and up to date record.

Schedule 20 of the SPAA sets out the data requirements and the procedure for inter-supplier use of the 'Notification of Old Supplier Information (NOSI)' flow during registration of a new domestic customer. The NOSI flow was introduced as a backstop process during the Customer Transfer Programme (CTP)³, and is an important tool in ensuring that the customer is not affected in the event that key data is not sent during the change of supply process. The current arrangement requires the old supplier to make "reasonable endeavours" in relaying the relevant data to the new supplier within 4 working days.

Suppliers often rely on the NOSI flow to provide important information during change of supply scenarios. Where it is not provided in good time it may lead to a delayed or incorrect billing, an increase in the volume of disputed reads and a poorer overall customer experience

The change proposal

The change proposal was raised CP 08/116 was raised by British Gas following a review undertaken by the SPAA Expert Group⁴. It seeks to amend SPAA Schedule 20 in order to make the provision of the NOSI flow mandatory within 4 Working Days of the transfer date, rather than on a reasonable endeavours basis. The proposer considered that this change would be commensurate with the importance the NOSI flow now has to the

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ <http://www.energy-retail.org.uk/switchingsupplier.html>

⁴ The Expert Group is a standing sub-group of the SPAA that provides an opportunity for industry participants discuss SPAA issues, debate Draft Change Proposals and develop formal Change Proposals.

efficient operation of the change of supplier process and is also in line with the corresponding provisions of the electricity Master Registration Agreement (MRA).

The proposal seeks to amend Clause 2.1 of SPAA Schedule 20 to the following:

Following this change, the wording of section 2.1 will be "The Old Supplier will send a "Notification of Old Supplier Information" flow to the New Supplier, containing the data items identified in section 3 below and used in the Old Supplier's billing processes. Due to the time critical nature of the value of the information contained within the flow the Old Supplier must send the flow by D-4 WD."

The Authority's decision

The Authority has considered the issues raised by the change proposal and has taken into account responses to the SPPA consultation and the views of the subsequent SPAA Change Board held on 16 October 2008. The Change Declaration was submitted to the Authority on 7 November 2008 following the elapse of the SPAA appeal window. The Authority has concluded that:

1. implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the SPAA⁵; and
2. consenting to the change proposal being made is consistent with the Authority's principal objective and statutory duties⁶.

Reasons for the Authority's decision

We note that this proposal received unanimous support at the SPAA Change Board. The weighted voting results showed that 100% of those parties able to vote support the implementation of this change proposal; the threshold for acceptance is set at 65%.

The CTP project indicated that one of the major complaints of customers is predicated on the discrepancies between the information utilised by the old and new suppliers to bill them. Further, it is noted that delays in the transfer of relevant data between suppliers leads to the information becoming less useful to the new supplier for establishing the customer billing record. It is with this in mind that the NOSI Flow was developed and introduced as a backstop process following the CTP.

Having considered the proposal, we agree with the proposer that the prevailing arrangements do not fully take into account the materiality of the negative impact to consumers should the relevant information not be available at the point of transfer. Therefore mandating suppliers to submit the NOSI Flow within 4 working days will better facilitate relevant objective (a) of the SPAA *'the development, maintenance and operation of an efficient, co-ordinated and economical change of supplier process'*.

⁵ As set out in Standard Condition 30 of the Gas Suppliers Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=13040

⁶ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Gas Act 1986.

Decision notice

In accordance with Standard Condition 30 of the Gas Supplier Licence, the Authority hereby consent that the change proposal CP08/112: '*Mandatory Provision of the "Notification of Supplier Information" (NOSI) flow within 4 working days*' be made.



Mark Feather

Director, Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose.