

Change of Supplier project

Smarter Markets Coordination Group
16 May 2013

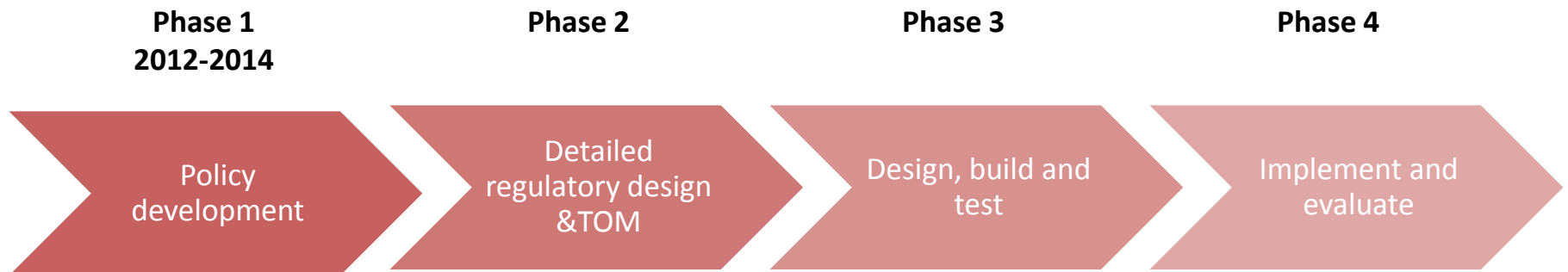
Aim of meeting

- Review core features and requirements of a future change of supplier process (15 mins)
- Review reform areas to be examined with Change of Supplier Expert Group (CoSEG) (10 mins)
- Review terms of reference for CoSEG (5 mins)

Change of supplier project - recap

Our longer-term objective is for a fast, reliable and cost effective change of supplier process that will facilitate competition & build consumer confidence

- Industry workgroups from May to Sept 2013
- Consultation Q1 2014 on high-level policy



Key challenges

- We want to challenge ourselves and the industry to achieve the full benefits of this significant opportunity to redesign the CoS process from the platform of smart metering
 - What are the core features/building blocks and assumptions for a successful CoS process?
 - What must the CoS process deliver in an evolving market?
 - How can we ensure that the future CoS process and our project structure does not unnecessarily constrain outcomes?



Core feature 1:
Record of metering points
and responsibility
(including for settlement
and network charges)



Core feature 2:
Customer decides to
switch supplier



Core feature 3:
Gaining supplier drives
request for transfer



Core feature 4:
Losing supplier is notified of
transfer request (and can
block if permitted)



Core feature 5:
Records updated to
reflect change of
supplier



Core feature 6:
CoS meter read obtained
and used for customer
billing, settlements and
network charging

Core assumptions

- One supplier per metering point
- Unique MPxN
- Timing of transfer linked to a specific settlement period
- Facilitate metering market

Questions for discussion

Have we correctly identified the core features, assumptions for a future CoS process?

Are there new business models/ways of working that the CoS process should complement/facilitate?

Categorisation of reform areas

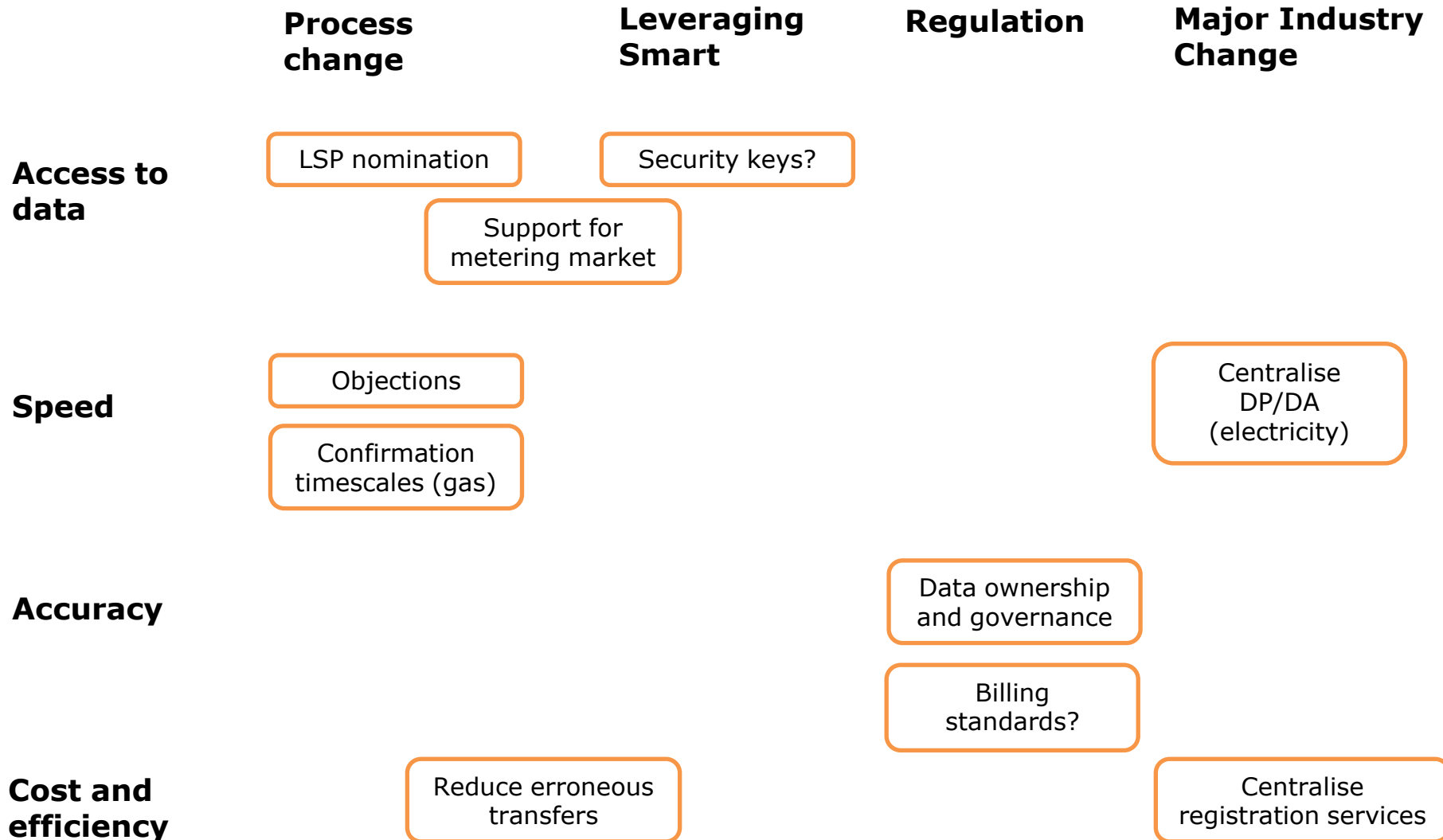
Process change

Leveraging emerging smart

Regulation

Centralisation/major change

Potential reform areas



Question for discussion

Will focusing on these reform areas deliver our longer-term objective?

Role of CoSEG

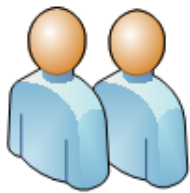
- Advise Ofgem on reform options and their evaluation for Q1 2014 consultation
 - Identify the main reform areas
 - Evaluate options presented by Ofgem
 - Identify and evaluate further options
 - Identify links and dependencies
 - Identify and evaluate end-to-end proposals

Methodology

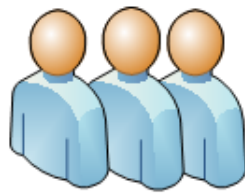
- Ofgem to present options papers
- COSEG members to review with constituents
- Agreed evaluation criteria
- Review at future COSEG meeting
- Ofgem to minute discussion and publish on website

Membership and meetings

- Ofgem invitation only expert group
 - Membership linked to supplier and network trade associations, industry code experts, consumer representatives and government
 - Named membership and named alternates
- Meetings every three weeks - starting 20 May
- Held at London and Glasgow offices



ICCOS +1



**Energy
UK + 2**



**Supplier
Forum**



DECC



**AIGT and
CNA**



GDN



ENA



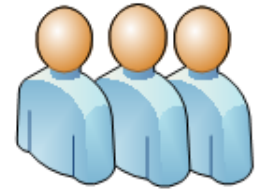
Xoserve



Gemserv



Electralink



**Consumer
bodies**



Elexon





Promoting choice and value
for all gas and electricity customers