



31 Homer Road
Solihull
West Midlands
B91 3QJ
0121 623 2305
www.xoserve.com

Maxine Frerk
Partner, Retail Markets and Research
Ofgem
9 Millbank
LONDON
SW1P 3GE

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Dear Maxine

Enforcing Three Week Switching

Thank you for the opportunity to respond to the Ofgem consultation on enforcing three week switching. Our comments are focused on the background to the proposals as set out in the consultation letter, rather than on the proposals themselves. That said, we do not have any particular issues or concerns in respect of the proposals, and indeed consider that their introduction would help to provide consumers with greater clarity and certainty of the standards of service that they should expect when switching.

We are concerned that the consultation includes misleading statements in respect of the IT systems operated by Xoserve that are used in the Change of Registered Shipper process for gas transportation purposes and which support the Change of Supplier process. It asserts that domestic gas Supplier switches that took longer than three weeks were historically due to 'difficulties' with and limitations in the design of the central gas industry IT systems that support switching.

The inference of this assertion is that inappropriate limitations in the IT systems prevented Suppliers from offering consumers faster switching services. In fact, the Uniform Network Code ("UNC") rules set out timescales for a change of Registered User (Shipper) which, until recently modified, generally precluded meeting the three week switching objective. The IT systems were designed to give effect to the UNC rules and not vice versa, as is implied by the consultation.

We note that the consultation acknowledges in a positive vein the recent introduction of UNC Modification 403 "EU Third Package: 21 day switching with flexible objection period" ("UNC 403"). During the development of proposals to achieve GB gas market compliance with the requirements of the EU Directive, Xoserve brought forward for industry consideration a range of UNC rule

change options that would not only have achieved compliance, but also had the potential to deliver reductions in timescales over and above the minimum requirement¹. In the event, the appetite of UNC parties was to retain the duration of the confirmation period and to reduce the objection window by the minimum required for compliance with the EU Directive. We amended our systems accordingly to reflect the particular requirements of UNC 403, and successfully implemented the required functionality in line with industry agreed timescales.

We are happy for you to publish this letter. If you would like to discuss any aspect of our response, please contact Martin Baker, External Affairs Manager, on 0121 623 2692 or send an e-mail to martin.baker@xoserve.com in the first instance.

Yours sincerely

Nick Salter
Head of Industry Engagement

¹ These options and associated industry discussions are documented in the Joint Office record of Distribution Workgroup meetings held on 23 September 2010 and subsequently.