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Date

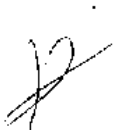
4 August 2014

Dear Andrew

Consultation on Moving to Reliable Next Day Switching

I am writing on behalf of Western Power distribution (East Midlands)plc, Western Power Distribution (West Midlands)plc, Western Power Distribution (South Wales) plc and Western Power Distribution (South West) plc in response to the above consultation.

Yours sincerely



ALISON SLEIGHTHOLM
Regulatory & Government Affairs Manager

WPD Response to Ofgem Consultation on Moving to Reliable Next Day Switching

CHAPTER: Two

Question 1: Do you agree that we have accurately described the benefits of improving the switching process?

The benefits listed could all be achieved provided suppliers take advantage of the improved arrangements.

CHAPTER: Three

Question 1: Do you agree with our impact assessment on next-day, two-day and five-day switching based on either a new centralised registration service operated by the DCC or enhancing existing network-run switching services?

We agree with the impact assessments and agree that next day switching is the most desirable outcome.

Question 2: Do you agree with our proposal to implement next-day switching on a new centralised registration service operated by the DCC?

As a network operator we currently provide registration services for our distribution areas. This is a legacy from 1998 and there would appear to be merits in centralising the service going forward.

Other than for the provision of centralised I.T. systems and communications, it is not clear from the consultation what the full scope of the proposed new centralised service would be.

Appendix 3 section 1.12 states "*The central registration system would provide information about when a switch had taken place and who the new supplier was.*" and section 1.13 mentions the central system supporting Supplier queries in advance of a switch.

Our view is that, should responsibility for provision of registration services move away from network operators, related activities such as provision of the Customer Registration Telephone Advice Service and the range of services provided by the ECOES system should also be transferred to the new provider. For avoidance of doubt this would mean all or part of SLC17, 18 and 37 within the Distributors Licence would cease to operate.

Consideration should also be given to removing the network operators' obligation to provide the data transfer service, under SLC37, which underpins the CoS process.

Question 3: Do you consider that fast (e.g. next-day) switching will not have a detrimental impact on the gas and electricity balancing arrangements?

Provided any new processes are robust and properly governed we see no reason why there would be a detrimental impact on the balancing arrangements.

CHAPTER: Four

Question 1: A central electricity metering database is not currently included within our proposed package of reforms. Do you agree it should be excluded?

We have no strong views on this. There would be benefits but it is doubtful whether these would outweigh the costs.

Question 2: If a central electricity metering database is included within our proposed package of reforms, do you consider that it should cover both AMR and traditional meters? Do you think that there would be any benefit in extending the central electricity metering database to cover smart meters?

If a central metering database is included then it should hold details of all meters. As DCC will already hold an inventory of smart meters it would seem reasonable for them to also hold details of all non-smart meters rather than creating another database.

CHAPTER: 5

Question 1: Do you agree with the implementation principles that we have identified?

We agree with the implementation principles identified.

Question 2: Do you agree that Ofgem has identified the right risks and issues when thinking about the implementation of its lead option (next-day switching with centralised registration)?

The right risks and issues appear to have been identified, in particular the risk of overstressing industry resources at a time when delivery of smart metering changes is underway.

Question 3: Do you agree that we have identified the right implementation stages?
We agree with the implementation stages.

Question 4: What do you think is the best way to run the next phase of work to develop the Target Operating Model for the new switching arrangements?

We have no particular strong views on this.

Question 5: What do you think are the advantages and disadvantages of the DCC being directly involved in the design of a Target Operating Model for the new switching arrangements, and the development of the detailed changes required?

We have no particular strong views on this.

Question 6: Do you agree that an SCR is the best approach to making the necessary regulatory changes to improve the switching arrangements?

An SCR seems appropriate.

Question 7: Do you agree with the proposed implementation timetable? Are there ways to bring forward our target go-live date?

The proposed timetable is challenging given that our resources will be heavily committed to implementing smart metering until December 2016 and, possibly, dealing with post implementation issues in early to mid-2017. Whilst we recognise the potential benefits to customers of bringing forward the target go-live date, attempting to accelerate the program puts at risk the delivery of a robust new process.

APPENDIX: Three

Question 1: Do you agree that we have accurately identified and assessed the main reforms that could improve the switching process?

We agree that the main issues have been identified. However, as mentioned previously, the analysis of registration service changes is silent on the issue of what reforms are needed to the provision of services directly related to the provision of the MPRS system.

APPENDIX: Five

Question 1: Do you think the results set out in this appendix are comprehensive enough to show the potential direct cost impacts of the reform packages we have considered?

It is not clear whether the potential costs of delivering the proposed new service includes the costs of providing the necessary related services such as customer telephone support and ECOES.