



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

Rebecca Langford
Consumer Policy
Ofgem
9 Millbank
LONDON
SW1P 3GE

19 September 2014

Dear Rebecca

REVIEW OF THE PRIORITY SERVICES REGISTER

Thank you for the opportunity to respond to Ofgem's consultation on its review of the Priority Services Register ("the PSR Consultation").

We are responding in our capacity as the Transporter Agency with responsibility for the provision of Agency Services that discharge the Licence and Uniform Network Code ("UNC") obligations of the principal Gas Transporters ("the GTs"), comprising the Gas Distribution Networks ("GDNs") and National Grid Gas Transmission ("NGGT"). As the proposals are relevant to domestic consumers only, we do not envisage any impact on the services that we provide to NGGT.

A core component of our Agency Services is a suite of Supply Point Registration Services that include the maintenance of a GDN Supply Point Register that records the GDN – Registered Gas Shipper contractual relationship at each Supply Point, the recording of transactions associated with a Change of Registered Gas Shipper, and the provision of Supply Point information to Gas Shippers and other authorised parties. All data flows required by the UNC are between GDNs and Gas Shippers, who in turn send and receive data to and from their Supplier.

Subject to regulatory approval of amendments to Licences and industry Codes, Xoserve expects to also be providing Supply Point Registration Services for independent Gas Transporters ("iGTs") with effect from October 2015.

We have reviewed Ofgem's proposals for the sharing of information as set out in Chapter 3 of the PSR Consultation, and would like to make a number of observations regarding the practical implications of giving effect to the proposals. These observations are concerned with the

establishment and maintenance of Registers, the Change of Supplier and Change of Tenancy processes, data items and data flows, and the implementation of proposals.

We have not examined in any depth the legal implications of a greater sharing of customer information, particularly those arising from data protection legislation, but recognise that this is a significant area to be addressed in giving effect to the proposals.

Establishment and Maintenance of Registers

The PSR Consultation proposals for the more widespread sharing of data would require the gas and electricity industries to establish and maintain one or more Priority Service Registers. Options to be evaluated would include the amendment of existing Network and Supplier Registers to record the additional data items envisaged in the PSR Consultation and the establishment of a new “Central Priority Services Register” for shared use by all energy supply and distribution businesses.

The aspiration to share vulnerable customer data between the energy and water industries would require a different approach, probably in the form of a new ‘pan-utility’ Register. It is not clear which party or parties would have obligations to maintain such a Register, nor how the arrangements would be effectively regulated.

Change of Supplier and Change of Tenancy Processes

It is currently a key principle of the Change of Supplier and, where applicable, the Change of Registered Gas Shipper processes that the two changes in relationship (the Supplier with the end consumer, and the Registered Gas Shipper with the GDN) are concurrent and coterminous. Any future design of industry processes to give effect to the PSR Consultation proposals should be cognisant of this principle, and should reflect the prevailing arrangement that all data flows required by the UNC are between GDNs and Gas Shippers, who in turn send and receive data to and from their Supplier.

When there is a Change of Supplier and Change of Registered Gas Shipper, prevailing UNC rules require the incoming Gas Shipper to send vulnerable customer information to the GDN, but not vice-versa. The PSR Consultation proposals would appear to change this arrangement, requiring the GDN to make available (to the incoming Gas Shipper) its own records of vulnerable customer information.

At present, there is no requirement on the Gas Shipper to advise the GDN that a Change of Supplier is associated with a Change of Tenancy. The proposals would appear to place greater importance on all parties having access to up to date customer information, so the obligations on Gas Shippers may need to be amended in order to reinforce the principle of information sharing. However, the subsequent sharing of data by the GDN might have to be restricted. Without a restriction in place, there is a risk that information appertaining to a vulnerable customer who is no longer the Tenant could be inappropriately shared by the GDN with a future incoming Gas Shipper.

The UNC currently requires the Gas Shipper to inform the GDN of a change of vulnerable customer status (for example where there is a Change of Tenancy but no Change of Supplier) within five days of the Gas Shipper becoming aware of such a change, and this information is provided

through an ad hoc customer amendment process. The PSR Consultation proposals process would appear to place greater importance on the timeliness, accuracy and completeness of information provided through the customer amendment process, and this may be a matter for future performance monitoring.

Data Flows and Data Items

The PSR Consultation proposals present a particular challenge to the energy (and potentially water) industry to establish a single composite set of vulnerable customer information with common data standards, requiring both supply and distribution businesses to address gaps, overlaps and mismatches as locally held data is brought together from multiple sources.

There is a risk that the adoption of common data formats across multiple industries might require stakeholders within one or more of those industries to make significant consequential changes to the design of their IT systems in order to achieve compliance.

The energy industry has recently considered initiatives that could make greater use of the Unique Property Reference Number (“UPRN”) as a “master record”, with which property, customer and Supply Point information can be associated. It may be worth exploring the extent to which UPRN data could serve a purpose in the establishment of a “Central Priority Services Register”.

The proposal that vulnerable customer information should be shared on a frequent and regular basis suggests that updates might be required other than on the occasion of Change of Supplier or Change of Tenancy. Industry rules and standards would need to be clearly defined, and it may be appropriate for different rules to apply to the frequency of sharing of data within an industry (e.g. between Gas Suppliers and GDNs) and between different industries (e.g. between gas and electricity, or between energy and water).

We have carried out a brief review of the proposed minimum data requirements, and recognise that compliance with these may require the addition of further data fields and data items to gas industry central systems and file flows. Where multiple vulnerable customers with a range of special needs are resident at properties such as nursing homes, it is not clear what level of detail would be required to be recorded.

Implementation

It is important that proposals for a change delivery programme that may arise from the PSR Consultation conclusions take account of other industry change programmes and priorities. The gas industry already has a significant commitment to the implementation of Project Nexus and single European gas market reforms in October 2015, and there is no capacity to accommodate Priority Services reforms within this timeframe. Looking further ahead, any amendments that may be required to the Change of Supplier and Change of Registered Gas Shipper processes should take account of Ofgem’s consultation on the establishment by the end of 2018 of a ‘centralised registration service’ for gas and electricity Supply Points.

Next Steps

We are already participating in the Customer Safeguarding Working Group (“CSWG”) and have assigned resources to the CSWG Data Sub-Group, and will continue to engage with these bodies as their work programmes evolve.

In the meantime, we would like to confirm that we are happy for this response to be published, and that we would be pleased to discuss further with Ofgem’s Consumer Policy team any aspect of our response.

Yours sincerely

Nick Salter

Head of Industry Engagement

nicholas.j.salter@xoserve.com