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Dear Angelita

Moving to reliable next-day switching - Consultation on a target operating model (TOM)

This letter is the response from Northern Powergrid Holdings Company and its subsidiaries Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc to Ofgem's recent decision document on moving to reliable next day switching using a centralised registration service (CRS) and the subsequent consultation on a target operating model (TOM).

Northern Powergrid welcomes the publication of these documents and this response is from the perspective of a distribution network operator (DNO) and assumes that other interested parties will provide their own views on the specific requirements set out in the draft TOM.

We are generally supportive of the proposals to deliver improvements to, and harmonisation of, the change of supplier processes for electricity and gas customers. We look forward to working with Ofgem, and other key stakeholders, as it establishes working groups to further develop these proposals and we specifically wish to confirm our intention to actively contribute (where possible) to the Ofgem led programme of work to implement these improvements.

Our initial response, given the amount of information currently available, to your three questions is provided below and we expect more clarity to be provided as the working groups are established to develop the proposals in detail.

Question 1: Do you agree with the requirements set out in the TOM?

We agree in principal with the requirements as set out in the TOM and we would like to be consulted on the scope and Terms of Reference for each of the working groups and develop the detail and future iterations of the TOM. We would also welcome the opportunity to actively participate in the working groups.

Question 2: Is our description of the requirements sufficiently comprehensive to progress the design of our reforms during the next phase of the programme?

The current version of the TOM has enough detail to work with prior to the outputs of the working groups, which may then require its further development. Hence, the document and the associated programmes of work need to be flexible enough to accommodate any issues or risks that the working groups identify that may not be flagged as part of this consultation process.

Question 3: Are there any additional requirements that should be captured in the TOM?

The current arrangements for DNO's has the registration software being centrally managed by St Clements Services with C&C providing support for the on-line service known as ECOES. We would welcome Ofgem's clarification (in due course) on whether the same support arrangements will exist in moving to the CRS or whether a different operating model is envisaged. It would also be beneficial if the current service providers were invited to attend the working groups.

We agree that holding a single definitive version of property addresses is important for supporting simple switching between suppliers. It is also essential for the safe operation of the energy networks: if a customer reports a smell of gas or a burning cut-out, we need to send the right people to the right property first time every time. Hence, we need to see an explicit reference in the TOM, and for the working groups, making sure that the network operators are kept up-to-date on definitive and accurate addresses for all the properties they serve.

We hope that our comments are helpful but if any are unclear, or if you have any further questions, please do not hesitate to contact us.

Yours sincerely

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