

## Response to Ofgem's Moving to reliable next-day switching: Consultation on a target operating model

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Response to be sent to [Andrew.Wallace@ofgem.gov.uk](mailto:Andrew.Wallace@ofgem.gov.uk) by 5pm on 10<sup>th</sup> of April.

### ***Question 1 – Do you agree with the requirements set out in the TOM?***

**Response:** The DCC is an unproven entity; it has yet to deliver a functioning service. We are therefore averse to adding any more under the DCC heading, especially a centralised registration system.

The DCC delivery has been delayed, whilst Industry Participants are already bearing its costs.

Adding the centralised registration service would further distract the DCC from its main purpose delivering DCC itself and seems likely to mean further delay. We would prefer to see the DCC solely concentrating on what they have been mandated to deliver.

In addition to going live and supporting the roll out of SMETS 2 meters the DCC faces major challenges, the most significant of which is perhaps the adoption and enrolment of SMETS 1 metering systems. This is urgent work, already consumers are experiencing difficulties around Change Of Supplier where a SMETS 1 meter has been installed - and there is no identified solution. There are likely to be a very significant number of SMETS 1 installed by the time DCC goes live; and DCC seems unlikely to deliver a solution for years.

We support the harmonisation between Gas and Electricity and we also fully support a more reliable switching process for Consumers as it will improve competition but are far from convinced that a centralised system is the answer.

We note that the network charging process for Electricity is likely to be less efficient with the CRS; DNOs will no longer have in house information but will rely on the CRS. Also, as noted in the TOM and Delivery document, the potential savings that LDSO might realise with the winding down of SMRS, would be negated by the cost of developing the interface with the CRS. Other market participants would only have the cost and no saving.

The SMRS operated by each LDSO operates 2 systems, changes required for next day switching and harmonisation between gas and electricity as well as having gas and electricity on the same system, could be delivered by the SMRS. It would only require changes to 2 systems, it would be a lot less expensive than a full procurement process, testing and operating of a new centralised system. For instance a new data item could be used to ensure that Suppliers inform the relevant SMRS that they would object, should a particular customer switch.

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**We strongly disagree with the creation of another monopoly player, provided with guaranteed return whether they deliver or not. It goes against what the deregulation of the Industry has been trying to achieve and we consider it to be not necessarily efficient or in consumer's best interests**

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

**Response: Yes.**

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

**Response: Yes, a requirement to ensure that the delivery of faster switching be it with a SCR or another mean of delivery to be assessed against the other deliverables by the industry in the next 3 years. The assessment must take into account workload as well as financial burden. It will be most significantly felt by Small Suppliers.**