

Jonathan Blagrove
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Ofgem
Millbank
London SW1P 3GE

26th January 2015

Dear Jonathan,

Supplier Guaranteed and Overall Standards of Performance - statutory consultation and proposals

Thank you for the opportunity to comment on the proposals for Supplier Guaranteed (GS) and Overall Standards (OS) of Performance and implementation of those proposals.

We set out our views on the proposals in this letter. We have not commented on the implementation of the proposals, although we would agree with the approach of including all GS in one set of regulations. This will simplify the compliance process for all suppliers, in particular for new entrants and smaller suppliers.

We agree in principle with the process for review of the GS and OS, with aligning gas and electricity GS, and with removal of the OS.

We do not agree however that the proposed changes are restricted only to the updating of existing arrangements. In our view, the proposals will have operational and commercial impacts on suppliers. Whilst we appreciate that Ofgem have now brought forward a raft of proposed new measures, the proposals do require changes to supplier systems, from appointments, commissioning of engineers, reporting and updating of customer-facing information. Indeed, Ofgem recognise this in the period for transition proposed for changes. Taking this into account, we are disappointed at the lack of an impact assessment (paragraph 1.9 of the proposals refers).

The potential commercial and operational impacts include:

- the commercial consequences of aligning GS for gas and electricity for suppliers and their third party meter operators, e.g. the need to update IT systems, additional resourcing to support different time-bands; and
- the consequences in practice for certain GS where we do not consider the target to be achievable, e.g. repair of faulty meters should be resolved within 15 days. This may be achievable in certain scenarios but this is not possible in others, such as when an Accuracy Test is required as this will need longer than 15 days to resolve.

We would welcome the opportunity to discuss our concerns with you. In the meantime, if you would like to discuss anything in this letter or have any further questions, please do not hesitate to contact me.

Yours sincerely,

Andrew Buxton
Head of Metering
First Utility Limited