

TPG Third Party Communications

06 December 2016

- **Defect raised since 11 Nov:**
- 6 new defects raised and accepted
- 2 new defects raised for PGL consideration

- The TPG Communications Sub-group have planned an approach to communicate with third parties who are impacted by Nexus, to provide a consistent cross-industry message.
- Third parties were identified who would require either proactive or reactive communications, or both. These are as follows:

Brokers (Consultants & Call Centres)	MAMs
Switching Sites & Collective Switches	Energy UK/Ofgem
Customers (General)	Press & Media
Customers (During NEDs)	Ombudsman
Business Customers	Citizens' Advice Bureau/Fuel Charities
G4S/MRAs	

- Drafts of proactive communications have been produced by the group, who request feedback from TPG members by **Monday 9 January** before these are baselined and issued.
- The draft communications are intended as useful reference pieces, however it should be emphasised that participants can use or edit these as they wish.
- This information should be provided to relationship owners and cascaded as appropriate.

Drafted Communication	Intended Audience	Purpose	Additional Information
General Overview	<ul style="list-style-type: none"> Brokers Relevant parties who need introductory information 	Introductory information that should be shared with participant relationship managers and issued if applicable.	Information should be cascaded to parties where relevant such as call centres, switching sites, MRAs and MAMs.
NED Notification	<ul style="list-style-type: none"> Brokers Relevant parties who are impacted by the NED period 	Information that specifically informs third parties about the Non-Effective Days period.	Dates listed need to be updated if contingency was invoked/further NEDs were added.
Customer Website Message	<ul style="list-style-type: none"> Selling to customers during the NED period Use as website message or phone script 	To notify customers who are sold to during the NED period about a potential delay in their switch.	A link to further information is part of an Ofgem communications strategy that is being discussed.
Business Customers Message	<ul style="list-style-type: none"> Business customers who are impacted by the NED period 	To notify business customers who wish to switch during or immediately after the NED period about the potential delay to switching.	A link to further information is part of an Ofgem communications strategy that is being discussed.
GONG Notification	<ul style="list-style-type: none"> Brokers Relevant parties who are impacted by Nexus and the NED period 	An update to impacted parties to communicate whether the program is still on track and intended to go-live as expected.	Dates listed need to be updated if contingency was invoked/further NEDs were added.

Communications

Project Nexus – General Update / Overview

This document aims to help you understand changes to gas systems affecting the energy industry and all gas consumers in the UK. Xoserve manage all the gas metering information and data services and they've been instructed by Ofgem (our industry regulator) to implement new systems and processes for handling gas data. Some of the benefits include:

- The ability to receive and store more meter reads as there is a regulatory requirement for more smart and Advanced Meter Reading (AMR) devices to be installed
- More flexibility in system updates
- Better reporting
- More efficient processes

Independent Gas Transporters will be able to data share with Xoserve

A number of Gas Transporters (GTs) share data with Xoserve and the relevant suppliers when a meter exchange or change of supplier is arranged. Some of our smaller transporters known as Independent Gas Transporters (IGTs) are unable to transfer information using the Xoserve system, which causes delays. They will be able to do this once the new system and processes are in place. This will allow suppliers to see the relevant IGT data and speed up the process.

Rolling Annual Quantity and rolling Supply Offtake Quantity

The calculation of your clients' metered annual consumption, often referred to as your client's Annual Quantity (AQ) is currently calculated by Xoserve in time for October. Following system changes, Xoserve will be able to provide a more accurate consumption figure for this every month, because your client's AQ will be calculated on a rolling month by month basis. This is subject to a meter read being provided every month and dependant on the Settlement Class that is set. The Supply Offtake Quantity (SOQ) is the meter's maximum daily usage which is determined by Xoserve. It will also be possible for these to change on a monthly basis. This AQ and SOQ will be referred to as the rolling AQ/SOQ and will be used for the purchase of gas by your supplier.

Formula year Annual Quantity and Supply Offtake Quantity

It will be difficult for Gas Transporters to calculate the rates required to cover their charges over the course of a year if this data changes every month. To address this scenario a second AQ and SOQ have been introduced, these are known as the formula year AQ/SOQ, but you may also hear them referred to as static, fixed or held AQ/SOQ. The formula year AQ/SOQ will be fixed from 1 April to 31 March each year to fall in line with the Gas Transporter's charging statements. These will be used to calculate transportation charges.

What does this mean for your client?

If you receive a bespoke price from your supplier, you'll see both sets of AQ/SOQ. You may notice that the rolling AQ/SOQ changes more regularly than the AQ/SOQ currently does; this means that if you receive multiple prices from your supplier within a short period of time you may see the rolling AQ/SOQ change within the month. This will affect the prices you or your client receive; the impact of this depends on the level of change of the AQ/SOQ during that month.

Introduction of a new Settlement Class

A new Settlement Class structure has been created so that all meter points with a Non Daily Metered (NDM) and Daily Metered (DM) supply type are settled in a more accurate and effective way. Four new products will be introduced:

Class 1 - is a mandatory settlement for all meter points with a rolling AQ of over 58,600,000 kWh - meter reads must be provided daily to Xoserve by 11am of the day following the day gas is consumed.

Classes 2, 3 and 4 are for any meter points with a rolling AQ below 58,600,000k Wh.

Class 2 - meter reads must be provided daily to Xoserve within 24 hours following the day that the gas is consumed.

Class 3 - meter reads must be provided to Xoserve for each day but can be batched up and issued weekly, fortnightly or monthly.

Class 4 - meter reads must be provided to Xoserve either monthly or annually depending on the size of the rolling AQ. When a meter read is obtained it will be submitted to Xoserve, but we cannot send more than two meter reads in any rolling 24 day period.

If your clients have meter points nominated on either product 1 or 2 they will need to submit an AQ/SOQ as well as their Supply Hourly Quantity as per the current daily metered process. This means that the rolling AQ/SOQ for these supplies will not be automatically changed, but it is still possible for these to be changed following a re-nomination of daily metered information. The meter points on these products will also be subject to ratchet charges for breaching the SOQ limit for Daily Metered supply types.

What does this mean for your client?

These products are required for settlement purposes and will in most cases be selected by energy suppliers. This is because if they fail to provide meter reads within the allocated timelines it will lead to a failure to meet the performance targets set by the industry; it's your supplier's responsibility to provide these meter reads. If your client's rolling AQ is above 58,600,000 kWh, product 1 will be selected (this is determined by your client's supplier). You and your client don't need to do anything but we feel that you should be made aware of the changes.

Allocation of Unidentified Gas charge removal

The Allocation of Unidentified Gas (AUG) charge has been removed and replaced with the similarly named Unidentified Gas (UIG) charge. The reason for the subtle name change is due to a fundamental change in the calculation of unidentified gas once all of the meter points are individually settled. This gives a more accurate view of unidentified gas.

What does this mean for your client?

Meter points on products 1 or 2 will not be charged for unidentified gas as per the current charging methodology for Daily Metered supply types; however your client may be liable for ratchet charges if they do not comply with the SOQ level set.

Broker/TPI Comms

A number of non-effective days are required to facilitate 'cutover' to this new system. These non-effective days will be running from the 25th to the 31st May. During this time, no communication can take place with Xoserve or the Independent Gas Transporters (iGTs); this is to enable critical activities such as data migration and transition to the new systems to take place.

This non-effective period will impact all processes which interact with Xoserve and the iGTs.

The primary impact to the gas industry is on the change of supplier process – during the non-effective days, suppliers will not be able to initiate any registrations.

As we will be unable to flow any communications to Xoserve during this time, other processes which are impacted include:

- Updating and removing meter technical details on Xoserve's system, requesting AQ changes, sending readings or consumption data, updating address data or other site related information
- No revision of the Supply Point Register can be made, Supply Point Enquiry, Supply Point Nomination, Supply Point Offer, Supply Point Confirmation, Supply Point Objection, Supply Point Withdrawal, request for Isolation, application to increase or reduce Supply Point Capacity, Amend Supply Point Offtake Rate, Revisions to Annual Quantity or NDM Meter Reading, Meter Information Notifications

(Use only 1 of these bullet points depending on the technical knowledge of your Broker)

The impact to our customers should be minimal.

Customers can have change of supply dates during the non-effective days – the sales and registration processes will continue as normal during the run up to this time. These transfers will be locked in before the non-effective days begin.

We will continue to sell to customers and any sales made during the non-effective days will be held and initiated on the first business day post go live. Therefore, if you have any customers that require registering within the minimum timescales there will be a delay, as this will impact the number of days it will take to complete the switch.

The 1st business day is the 5th June = If the registration is initiated on this date then the earliest transfer date will be the 20th June

Important Information

The gas industry is going through a period of change during 25th May and 5th June. This change affects all gas suppliers, and as a result of this, you may experience a slight delay to your switching journey.

What does this mean for me?

Good news! Your energy supply will remain uninterrupted during this extended period of transition from your previous supplier to us. As the industry change only affects gas, your electricity supply and switch will not be impacted.

What Next?

We will resume processing switches on **5th June**, in line with other gas suppliers. At this point, you will receive an email with your estimated supply start date.

For further information, click here (hyperlink to an FAQs page or OFGEM site).

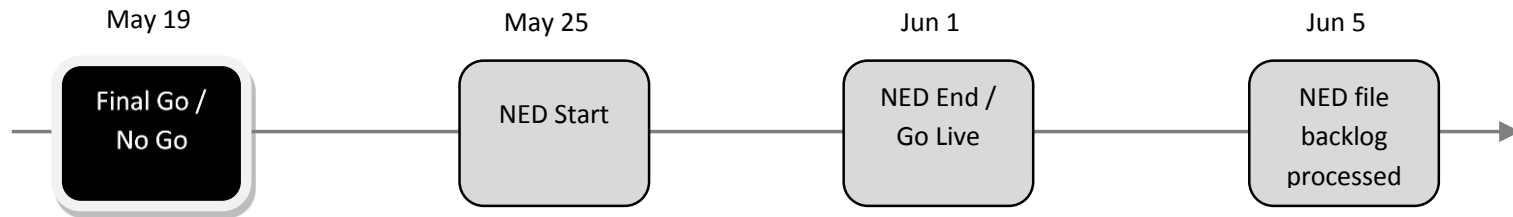
Pre-NED message for new b2b customers

NOTE: Message is for business customers who are 'shipperless' and looking to switch during or immediately after the NED period

- Usually it would take [XX] working days to assign your supply to [supplier name] but there will be a slight delay due to a period of change that is taking place across the entire gas industry from 25th to 31st May preventing any registrations during this time.
- Switching will resume to usual standards from Monday 5th June which allows for backlogs to be cleared. We will therefore initiate your registration on [date] and your switch is estimated to take place on [date + 5 days].
- Your gas supply will not be affected during this period because this delay in assigning you to [supplier name] is caused by industrywide changes that are affecting the entire UK gas market. For more information please visit Ofgem's website.

Go Decision

Project Nexus has undergone final GONG (Go or No Go) assessment and been signed off to proceed to implementation. The project is therefore on target to commence the Non Effective Days period as planned, starting 25 to 31 May inclusive. The next scheduled communication is the notification of successful implementation on 1 June. Interim communication will be issued should the programme encounter any significant risk to plan prior to implementation date.



No Go Decision

Project Nexus has undergone final GONG (Go or No Go) assessment and has not been signed off to proceed to implementation. The impact of this decision to the programme delivery plan is currently being assessed and will be communicated in due course.

Implementation Day Comms – June 1

Project Nexus has been successfully implemented and is now live. Processing of files suspended during the Non Effective Day period is underway and expected to be complete by Monday 5 June.

The next scheduled communication is completion of file backlog processing by 5 June. Interim communication will be issued should the programme encounter any significant risk to this activity.



Catch Up Day Comms – June 5

Processing of files suspended during the Non Effective Day period has completed. File exchange between industry participants is operating to ‘business as usual’ UK gas market Service Level Agreements.

This is the final significant implementation activity so no further communications are scheduled. The programme and all industry participants will closely monitor processing and operations. Further communications will only follow in the event of any issues encountered that may have a consequence to your organisation.



Information for interested third parties

Gas industry change

The gas industry is going through a period of change during 25 May and 5 June. This change affects all gas suppliers and, as a result, customers may experience a slight delay in switching to a different supplier.

This is because of an initiative to replace the UK Link system which is operated by Xoserve for energy settlements, meter administration and other functions for the GB gas market. This change is being driven by Ofgem and ultimately will facilitate easier switching for customers and smart meter roll-out.

Customer switches will resume processing on 5 June for all gas suppliers and customers will be given their estimated start date with their new supplier.

Supplies for customers will remain uninterrupted during the extended period of transition from one supplier to another. The industry change only affects gas – electricity supplies and switching will not be impacted. Dual fuel customers wishing to switch will be advised of their date for changing supply for both electricity and gas.

[For more information visit the Ofgem website]

- **What is this change?**

Project Nexus is an initiative to manage the replacement of the UK Link system, operated by Xoserve for energy settlements, meter administration and other functions for the GB gas market.

- **I've chosen to move both my gas and electricity to XXX. What happens to my electricity switch?**

Option 1 - Your electricity switch will remain unaffected, and will continue to be processed. You will receive an email advising of the date your electricity supply will transition across to XXX.

Option 2 - To make things easier for you, we will switch your electricity supply in line with your gas supply; this will ensure your bills and any contract renewal dates line up.

- **I've changed my mind, I no longer want to switch to XXX. What do I do?**

If you are still within your 14 day cooling-off period, you can still cancel your request by clicking here or contacting us on XXX. However, if you are outside of the 14 day cooling-off period, you will need to contact us on XXX to discuss the options available.

- MAMs may be relevant depending upon your organisation, and should be notified if they will be impacted by the NED period.
- Citizens' Advice Bureau/Fuel Charities
A communication has been drafted for these parties, which will be issued from a central source. This is drafted on the following slides.
- FAQs
An FAQs page may be useful to provide further information on customer-facing websites. This may also provide input into a central Ofgem page. Initial thoughts have been drafted on the following slides, but further input is requested from participants.
- Ofgem Communications Strategy – PwC is in discussion with Ofgem around points raised by the Communications Sub-group, including a link to further information on the Ofgem website, and communicating with the Ombudsman/government.

- Incidents that may need reactive communications to third parties were discussed, which included:
 - Not going live on 1 June, with either a slight delay or a long delay (past 5 June 17).
 - Data not migrating meaning that customers cannot switch. This could include address data, meter technical details, and issues with data quality that could lead to issues such as incorrect billing.
 - Xoserve issues with processing files or invoicing.
 - A participant cannot go-live, leading to a customer not being able to switch to a supplier or a supplier not being able to object to a customer leaving.
 - In-flight data, meaning customer data is not where it should be at go-live.
- A template was discussed that includes the impact of the incident and the information that needs to be passed to third parties such as the planned resolution date. PwC will draft a high level version of this.

This document has been prepared by PwC only for Ofgem and solely for the purpose and on the terms agreed with Ofgem in PwC's statement of work (of 1 August 2016, Spec 7) as part of PwC's call-offs under the framework agreement dated 11 April 2016. PwC accept no liability (including for negligence) to anyone else in connection with our work or this document.