Data Improvement: Plot Addresses

The Problem, Existing Requirements, Existing Cleansing Activities and the Remedy

Workshop, 24 July 2017

Graeme Barton

Too many unreliable switches

- Ofgem is leading the Switching Programme, which aims to deliver reliable and fast switching for consumers.

- There are too many 'unreliable switches' at present.

- Initial analysis to support the Switching Programme Impact Assessment suggests that:
  - Around 0.96% of switches are processed as ETs (about 75,000 switches in 2016). Plus twice this number of ETs are prevented before they the switch (around 145,000 switches in 2016). Around 80% of these ETs are due to problems with industry address data, which equals around 176,000 ETs.
  - Around 230,000 switches in 2016 were delayed beyond 21 days due to problems with industry address data.
  - Large number of switches are abandoned by consumers attempting to switch online and by suppliers after they receive switch requests

- A significant proportion of these unreliable switches are caused by the prevalence of plot addresses within industry data.

- Therefore we need to significantly reduce the number of 'unreliable switches' caused by plot addresses before we introduce faster switching.

Purpose of workshop

- Confirm our understanding of the plot address problem, including scale of the problem and variable industry performance

- Discuss existing requirements regarding plot addresses

- Discuss existing practices cleansing plot addresses

- Consider next steps for remedying this problem

What are plot addresses?

1. Property developers assign plot addresses to their land, eg. new build estates, before it is developed and before it is given a postal address with a house number, street name, city and postcode.

2. Plot addresses can exist within energy industry address records, matched to MPxNs

The plot address problem

- There are many plot addresses, rather than postal addresses, within address data for gas and electricity supply points.

- Many of these plot addresses have been in industry systems for years even though there are valid postal addresses for the same supply point, and should have been converted to the postal address.

- Examples of problems that could occur as a result of a plot address in industry data:

  - Customer attempts to switch (possibly through PCW), but cannot find property and aborts switch

  - Customer requests switch (either through PCW or supplier website), but selects wrong address and another consumer is ET'd

  - Customer requests switch (either through PCW or supplier website), but switch attempt delayed as address validation process difficult

  - Customer requests switch (either through PCW or supplier website), but suppliers fail to process switch because cannot validate customer's address

Scale of the problem: numbers

- RFI analysis suggests:
  - Gas: around 0.2% of gas meter points are plot addresses, or roughly 42,000 domestic gas meter points.
    - Performance for different GTs does vary quite significantly from 0.1% to 0.4%.

  - Electricity: much higher percentage of electricity meter points are plot addresses. Average around 0.8% of electricity meter points are plot addresses, or roughly 225,000 electricity meter points.
    - However, the range of DNO performance is very wide, from around 0.1% to over 2%.

> - **Do you agree with this quantification of the problem?**
> - **Why are there such significant differences between gas and electricity?**
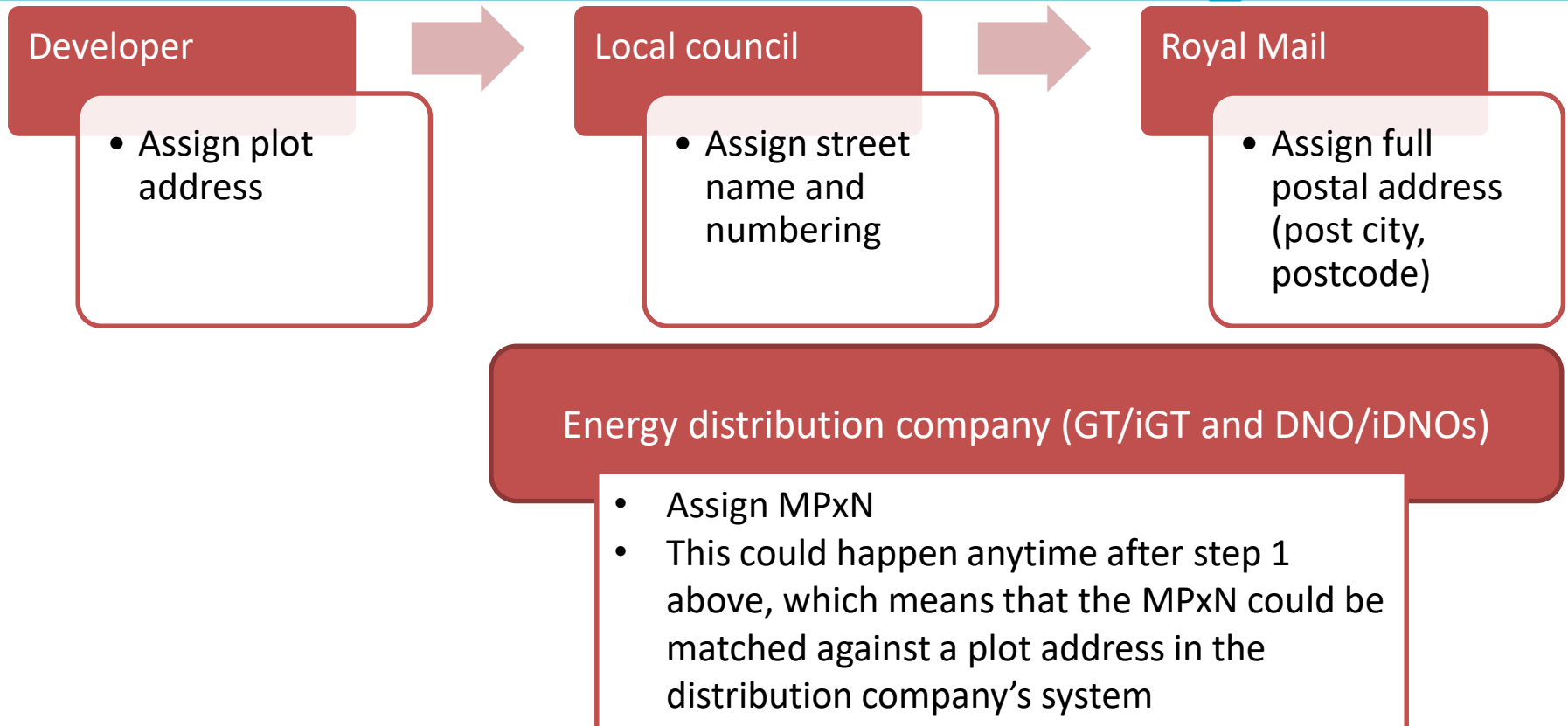
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- Electricity: high number (roughly 85%) of electricity meter points which are plot addresses are over two years old. See graph below.

- Gas: incomplete age profile data for gas meter points, but we understand that that 43% of gas meter points which are plot addresses date prior to 2010.
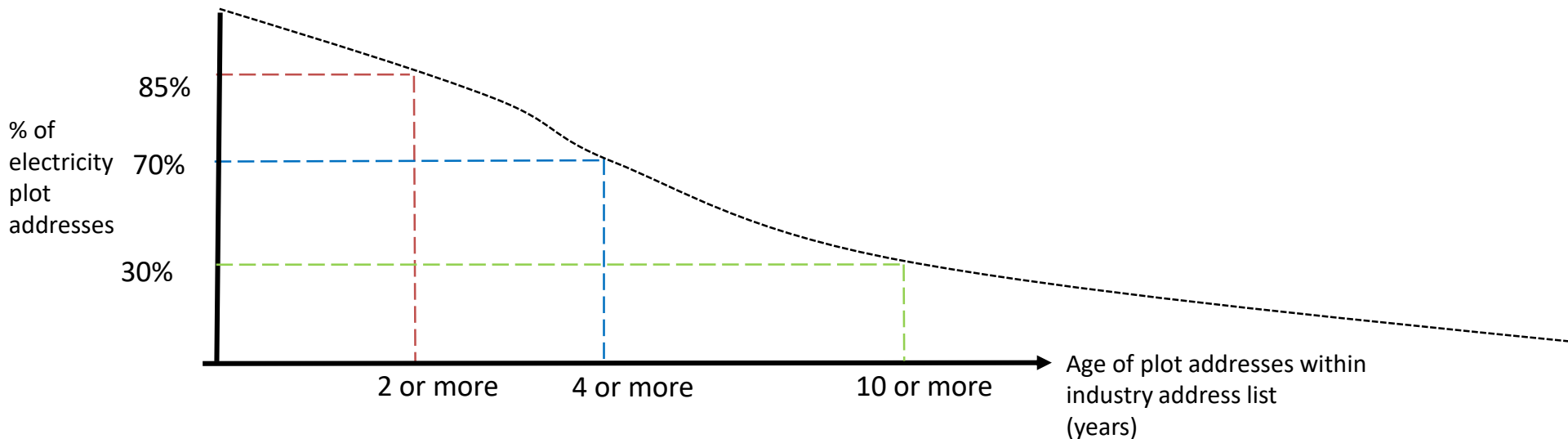
- **Do you agree with this quantification of the problem?**
- **Is there an average (modal) time between a plot address being assigned an MPxN and postal address being assigned?**

Existing requirements: assigning plots, postal addresses and MPxNs

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Developer
- Assign plot address

Local council
- Assign street name and numbering

Royal Mail
- Assign full postal address (post city, postcode)

Energy distribution company (GT/iGT and DNO/iDNOs)
- Assign MPxN
- This could happen anytime after step 1 above, which means that the MPxN could be matched against a plot address in the distribution company's system

- **Do local councils and Royal Mail have a requirement to notify energy distribution companies that a postal address has been created?**
- **When postal addresses are created, do they automatically replace plot addresses in industry address systems?**
- **Have we missed any wider relevant requirements regarding assigning addresses?**

8

- Licence Condition 18 of the Electricity Distribution Licence places obligations on DNOs to have unique and accurate addresses for meter points (Appendix 1, A2(c)).

- Requirements imposed on DNOs for new connections process set out in the MRA clause 20 (page 97).

- The distribution company is also responsible for the provision and maintenance of the metering point address within MRA Schedule 2, MPAD 10.

- Procedure for changes to data items for which the Distribution Business is responsible is set out in MRA clause 24.

24.2: The Distribution Business shall notify its MPAS Provider of any changes to data items 9 and 9A of Schedule 2 in respect of any Metering Points that are Registered on its MPAS Registration System as soon as possible, and in any event within 60 Working Days of the publication by Royal Mail of an update to PAF addresses; or where a change is notified other than by Royal Mail update, subject to the Distribution Business accepting the change, within 10 Working Days of the effective date of the change or receipt of a notification pursuant to 24.4.

24.5: Where a Supplier identifies that either (i) a new Metering Point has been given a postal address or (ii) a non-PAF element that will clarify the address for the Metering Point is missing it may notify the relevant Distribution Business of any suggested changes to data items 9 and 9A in Schedule 2 in respect of Metering Points for which it is Registered on the relevant MPAS Provider's MPAS Registration System as soon as possible and in any event within 5 Working Days of (i) the effective date of such changes or (ii) becoming aware that such change is required if this occurs after the effective date of the change.

- **What other electricity code requirements may be relevant?**

9

- Licence Condition 31 of the Gas Transporter Licence places obligations on GTs to have unique and accurate addresses for meter points.

- Requirements for GT to maintain Supply Point Register of all Supply Meter Points, Supply Points and Supply Point Premises are set out in Annex 1, Section G, Clause 1.9 of the UNC

- New connections process and requirements imposed on GTs are set out in Annex 1, Section G, Clause 7 of the UNC (page 304) .

- Requirements for suppliers, agents and GTs regarding data quality and data validation, Schedule 22 of SPAA

6.3: Where the GT, MAM, Supplier or the Originator is shown as the owner of a data attribute they are responsible for ensuring they hold valid and accurate information in relation to that data attribute. To the extent they become aware that information in relation to that data attribute is invalid or inaccurate they shall use their reasonable endeavours to send valid and accurate information to other parties as provided for in the RGMA Baseline Processes as soon as reasonably practicable .

6.4: Where the GT, MAM, Supplier or the Originator is made aware of valid changes to information relating to data attributes for which they are not the owner, they shall update their records accordingly and send this updated information to other parties as provided for in the RGMA Baseline Processes as soon as reasonably practicable.

- **What other gas code requirements may be relevant?**

10

Current performance is too variable

- There are big variations in performance of different GTs and DNOs regarding the number of plot addresses.

- Why do some GTs and DNOs have fewer plot addresses than others? Why don't all GTs and DNOs actively cleansing plot addresses?

- To ensure best practice cleansing plot addresses is followed across industry, we need DNOs and GTs to share what they are doing to cleanse plot addresses.

> - **What activities do you have in place to cleanse plot addresses?**
> - **Are existing code requirements currently monitored and enforced?**
> - **How do we ensure all parties take action to cleanse plot addresses?**

We believe a two-sided remedy is needed:

1 Active requirements to ensure that DNOs and GTs proactively seek to identify plot addresses (or addresses without valid postal address) and investigate whether they have been replaced with a valid postal addresses.

Our suggestion proposal: a requirement for DNOs and GTs to make reasonable efforts to replace plot addresses with a postal address

2 Assurance / enforcement scheme to ensure there is an incentive for all GTs and DNOs to cleanse historic plot addresses.

Our suggested proposal:
1. DNOs and GTs to report number of meter points, number of plot addresses (energised and non-energised), age profile of plot addresses to a chosen body. This reporting would be repeated on a regular basis, probably every year.
2. On an ongoing basis, DNOs and GTs to report results of this plot address cleansing exercise or number of historic plot addresses removed to chosen body.
3. Chosen body to assure and enforce plot addresses cleansing could be Ofgem, MRA, SPAA, UNC, DCC or another independent body to be contracted on behalf of Ofgem.

Actions envisioned by remedy

- Ongoing activities to manage plot addresses by DNOs/iDNOs and GTs/iGTs may include:

  – Contacting suppliers to get meter point address data (DNOs/GTs would need to ensure that this reflected the correct postal address);

  – Using address data from a MOP or MAM, sourced via the supplier;

  – Contacting the original property developer to identify postal addresses;

  – Contacting the relevant local authority and Royal Mail to identify mapping of postal addresses to development plots;

  – Contacting the operator of a central address database (as part of the CSS); and

  – Engagement with the customer to resolve address issues, if appropriate.

Evaluation of the remedy

- Assurance and enforcement of plot addresses should have a behavioural impact:
  - Introduces proactive plot address cleansing, ensuring that all distribution companies make efforts to reduce plot addresses.
  - Introduces transparency and accountability.
  - Introduces incentive to reduce numbers of plot addresses.

- The outcomes these behavioural impacts should have:
  - Reduces number of ETs and unreliable switches caused by plot addresses.
  - Removes switching barriers for those with plot addresses.
  - Reduced costs caused by all parties trying to resolve these unreliable switches.
  - See calculation in annex slide demonstrating possible scale of cleanse.

Next steps on remedy

- Aiming to present an options paper on a plot address remedy to the Switching Programme Board on 28 September 2017

- If we decide to proceed with a plot address remedy, we will seek a sponsor to take forward the necessary code modification

- **Please let us know if you would be interested in acting as a sponsor for any required plot address code changes**

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Scale of plot address problem

Electricity

- Approx. 28,000,000 domestic electricity meter points
- Approx 0.8% of electricity meter points are plot addresses, which roughly equals 225,000 meter points.

- Based on RFI data from DNOs (iDNOs excluded)
- Unclear whether this number includes de-energised plot addresses

- 84.2% of electricity plot addresses are over two years old, which would equate to 189,450 meter points or 0.67% of all electricity meter points
- 76.3% of electricity plot addresses are over three years old, which would equate to 162,900 meter points.

- Based on blueprint phase research
- Would like to develop understanding further

Gas

- Approx 21,000,000 domestic gas meter points
- Approx 0.2% of gas meter points are plot addresse, which equates to roughly 42,000 meter points as plot addresses.

- Based on RFI data
- Unclear whether this number includes de-energised plot addresses

- 43.2% of gas meter points are over six years old and date prior to 2010, which would equate to 18,144 meter points

- Based on blueprint phase research
- Would like to develop understanding further

Impact of proposed plot address data improvement remedy (not done for gas as we do not have full age profile information)

Electricity

- All electricity plot addresses that are over 2 years old should be cleansed and provided with a postal address

- Assuming that almost all plot addresses over 2 years old should now be a postal address
- Would like to develop further

- 0.67% of electricity meter points or 189,450 electricity meter points would be targeted for cleanse

- Calculated by number of plot addresses over 2 years old (84.2%) x number of electricity meter points which are plot addresses

- 179,977 electricity meter points would be cleansed

- Assumption based on 0.95% success rate of cleansing of addresses
- Ability to cleanse old plot addresses evidenced by significant ongoing industry action on this issue.

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