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Submitted via email to: [switchingprogramme@ofgem.gov.uk](mailto:switchingprogramme@ofgem.gov.uk)

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**RE: UK Link and the proposed Central Switching Service**

Dear Rachel,

Energy UK is the trade association for the GB energy industry with a membership of over 90 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership encompasses the truly diverse nature of the UK's energy industry from established FTSE 100 companies' right through to new, growing suppliers and generators, which now make up over half of our membership.

Energy UK strongly believes in promoting competitive energy markets that produce good outcomes for consumers. In this context, we are committed to working with Government, regulators, consumer groups and our members to develop policies which enhance consumer trust and effective engagement. At the same time, Energy UK believes in a stable and predictable regulatory regime that fosters innovation, market entry and growth, bringing benefits to consumers and helping provide the certainty that is needed to encourage investment and enhance the competitiveness of the UK economy.

These high-level principles underpin Energy UK's response to Ofgem's consultation regarding UK Link and the proposed Central Switching Service (CSS). This is a high-level industry view and Energy UK's members may hold different views on particular issues. We would be happy to discuss any of the points made in further detail with Ofgem or any other interested party if this is considered to be beneficial.

Enabling Xoserve to compete in a competitive procurement process

Our members recognise that Xoserve's existing governance arrangements could prevent it from being able to participate in the procurement process. Xoserve has flagged that it will require the support of Ofgem and other stakeholders in order to secure the necessary changes to its governance arrangements. Energy UK believes that the benefits of a competitive tender will be fully realised by reducing barriers to Xoserve being able to compete in this process.

Minimising the cost of the procurement process

It is vital that the procurement process is efficient and cost-effective, given that the cost of the DCC will ultimately be recovered from all customers' electricity and gas bills. The tendering process must be fair, deliver value for money, and provide the benefits of a competitive process at the lowest possible cost.

The anticipated cost to industry for the DCC's activities during the Transitional Phase has been put at £24.1 million based on the delivery of Reform Package 2. The majority of this amount has been allocated for procurement costs. Energy UK members urge Ofgem to review the current plan for the procurement process and to explore opportunities to be able to evaluate proposals from a variety of competitors at a lower cost for customers.

If you would like to discuss the above, please contact me directly on 0207 747 2967 or at [colin.brooks@energy-uk.org.uk](mailto:colin.brooks@energy-uk.org.uk)

Kind regards,

Colin Brooks  
**Policy Manager**