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Dear Rachel

**Delivering Faster and More Reliable Switching: proposed new switching arrangements**

Thank you for the opportunity to provide our views on the latest Ofgem consultation concerning faster and more reliable switching.

The switching programme is an exciting development for the energy sector that has the potential, alongside developments such as smart meters, to promote a step change in the ability of customers to engage with the market, creating greater customer benefits as they seek the most appropriate service that meets their needs.

DCC is very supportive of the direction set out in in this consultation and the supporting impact analysis. We believe the benefits case goes well beyond direct impacts and therefore welcome the work that has been done to consider indirect and qualitative benefits.

Our response covers the two questions that relate directly to the DCC's role in supporting the delivery of the Switching Programme.

*Question 5: Do you agree with our proposal to require DCC to competitively procure the communications network capability required to deliver the new switching arrangements?*

A number of services and systems will need to be procured to form the end-to-end Switching Arrangements. We fully agree that competitive tendering is an important way to assess different delivery solutions, ensure value for money and allow for innovative, future-proofed approaches.

DCC is well placed to specify the requirements of a communications network as part of the CSS Detailed Design work and to understand current and future demands that may be placed upon the network. We agree that there are advantages in DCC undertaking the procurement of the communications network within the overall scope of the CSS procurement. This will reduce the risk that the

network requirements are unnecessarily constrained by a separately procured solution or a legacy system, will enable the network to be procured as part of the wider CSS with the potential to drive cost savings and may support the development of innovative solutions.

Whilst Mason Advisory's work for Ofgem acknowledged possible savings from using existing industry networks we note that they concluded that no option self-evidently provides better value compared to the 'merits of running a competition to determine a best solution'. Indeed, there are several other issues besides cost that should also be considered under a competitive procurement exercise. These may include for example: costs of necessary changes over time, scope for further innovation and track record in delivery.

However, we recognise that minimising the cost of network changes across industry is likely to be an important consideration and we see no reason why existing service providers would be constrained from participating in a competitive procurement.


We have initiated work towards tender evaluation criteria and we will continue to develop this with you.

*Question 10: Do you agree with our proposal to modify the DCC's licence, in order to extend its obligation to include the management and support of the DBT and initial live operation of the CSS?*

We believe that there is a strong case for proposing that the organisation that has both supported you in the design of the CSS and procured the CSS service provider(s) is best placed to understand and manage the Design, Build and Test (DBT) phase for you. Furthermore, the organisation that manages and supports the DBT activities should be responsible for its early life operations and held accountable for ensuring that the CSS fully meets its requirements. Whilst one might conceive of different approaches, the risks to delivery and steady-state support would be significantly heightened.

We trust that these responses are helpful to you and we are happy to discuss should clarification be needed.

Yours sincerely

  
Jane Eccles  
Switching Programme Director