

Date
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Rachel Clark
Switching Programme
Ofgem
10 S Colonnade
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Dear Rachel,

Consultation – Switching Programme and Retail Code Consolidation: Proposed changes to licenses and industry codes

Thank you for the opportunity to respond to Ofgem's consultation: 'Switching Programme and Retail Code Consolidation: Proposed changes to licenses and industry codes'. This response is made on behalf of Cadent and can be published by Ofgem.

Cadent is supportive of Ofgem's approach to the Significant Code Reviews related to bringing about faster, more reliable switching and Retail Code Consolidation. We equally support the vision of a best-in-class industry code which puts consumer outcomes at the heart of everything it does whilst providing market participants with an accessible and comprehensible set of rules that are as easy as possible to understand and comply with.

In particular we welcome the proposals under the Retail Energy Code (REC) Manager functions. We identify 'prioritising and driving change which supports the overall REC strategy and code objectives' as a key component, welcoming its inclusion within scope of what is expected of the procured service provider. We support the proposal for the REC Manager to be accountable to the REC Company (RECCo) Board for the execution of the RECCo Board's strategy and work programme, and subject to the oversight of the PAB (Performance Assurance Board). However this should not compromise the ability of industry parties to engage in the process to ensure inclusiveness, nor should it transfer responsibility of change from the proposer to the REC Manager.

With reference to Appendix 5 Consequential Changes to Codes, I am pleased to advise that Cadent has led in delivering the Legal Text for the 'consequential' changes to the Uniform Network Code (UNC) required as part of introduction of the REC. This was achieved by extensive engagement with our external lawyers; Dentons, and with the support of gas transporters, the Central Data Services Provider (CDSP); Xoserve, and the Joint Office of Gas Transporters. The Legal Text has been written on the basis that it is implemented before Retail Code Consolidation occurs, however the proposal refers to dormant text. To allow the text to be incorporated as

dormant and implemented at a later date, it would need to be incorporated into the UNC as transition text. This however would require further legal drafting. Production of legal text of such complexity is expensive and re-drafting due to changes in implementation order, will take time. The approach outlined does not provide detail on transitional arrangements and we would welcome clarification on this.

Our responses to the individual questions within the consultation are set out below, including our responses to the questions you requested by 29th July 2019 (questions 1.3,1.4,1.5,4.3 and 4.4).

We have chosen not to provide responses to certain questions which we deem to be non-Gas Transporter related.

Please contact me should you wish to discuss any aspect of this consultation response.

Yours sincerely,

Guv Dosanjh

Cadent

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Continuation sheet

Questions:

1.1: Do you agree that the mission statement and objectives encapsulate the functions of the code, can drive activity of the governance functions and assist decision-making on changes to codes?

We are in agreement.

1.2: Do you agree with our proposals on the initial and ongoing appointment of RECCo Board Members?

We are in agreement.

Question 1.3: Do you consider that the methodology as set out above is appropriate?

We deem the outlined methodology to be appropriate.

Question 1.4: Do you have any comments on the scope of services?

We broadly agreed with the scope of services, particularly the prioritisation of change which supports the overall strategy. We await the more detailed description of these services and welcome confirmation on when they will be made available.

Question 1.5: Do you agree with our outline proposals on the set-up of the REC Manager?

We agree with the outline proposals on the set-up of the REC Manager in this role, however the reference to a number of functions contracted from one or more service providers must be efficient and economical. We support the proposal for the REC Manager to be accountable to the RECCo Board and subject to the oversight of the PAB, however this should not compromise the ability of industry parties to engage in the process to ensure inclusiveness.

1.6: Do you agree with our proposals on the set-up of the REC Change Panel? Do you foresee any problems with these proposals?

We are in agreement.

1.7: Do you agree with our proposals on the set-up of the PAB? Do you foresee any problems with these proposals?

We are in agreement.

1.8: Do you agree that the inclusion of the principles outlined (as included in the draft change management schedule) should address some or all of the problems associated with existing code governance?

We recognise that some improvement is required with Code Governance within the gas industry and hence our engagement with Ofgem's Code Governance Review. We are therefore supportive of the proposal for reform which is being proposed to facilitate greater consistency between codes. We believe that the proposers of change should remain responsible for the change, and responsibility should not be transferred to the Code Manager through the development stages.

Question 2.1: Do you agree with our proposed choreography of the Retail Code Consolidation SCR, Switching Programme SCR and associated licence changes, including our proposals that the Switching Programme changes will be introduced as 'dormant' before being made 'active' following Authority direction?

Further clarity is required. The Retail Code Consolidation will occur before the legal text is implemented. The Legal Text for the 'consequential' changes to the Uniform Network Code (UNC), which Cadent has led in

delivering, has been written on the basis that the legal text is implemented before Retail Code Consolidation occurs. Production of legal text of such complexity is expensive and re-drafting due to changes in implementation order, will take time.

The requirement for Legal Text for the 'consequential' changes to the UNC was for enduring text, which has been delivered. However the proposal refers to dormant text. To allow the text to be incorporated as dormant and implemented at a later date it would need to be incorporated into the UNC as transition text. This however would require further legal drafting, with additional costs being incurred. The approach outlined does not provide detail on transitional arrangements and we would welcome clarification on this.

Question 2.2: Do you agree with the approach we have described for managing the delivery of the Switching Programme SCR and the Retail Code Consolidation SCR?

Please see response to Question 2.1.

Question 2.3: Do you have any views on the draft consequential changes to industry codes and work plans described in Appendix 5 that would help deliver the Switching Programme and Retail Code Consolidation SCRs?

We have no view at this time.

Question 3.1: Do you agree that the draft Registration Services Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

We are in agreement.

Question 3.2: Do you agree that the draft Address Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

We understand that the Retail Energy Location (REL) data item will not be shared with Gas Transporters as it can only be shared for switching purposes. We would welcome wider sharing of the REL to industry parties.

Question 3.3: Do you agree that the draft Data Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

We have no view at this time.

Question 3.4: Do you agree that the draft Service Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

We have no view at this time.

Question 3.5: Do you agree that the draft Entry Assessment and Qualification Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

We have chosen not to comment on this question as it is not applicable to Gas Transporters.

Question 3.6: Do you agree that the draft Resolution of Consumer Facing Switching and Billing Problems Schedule meets the Regulatory Design Principles? If not, please explain how the Schedule could be improved?

We have chosen not to comment on this question as it is essentially a Supplier matter.

Question 3.7: Do you agree that we have adequately captured the requirements of the ETCC within the draft Resolution of Consumer Facing Switching and Billing Problems Schedule, taking account of the existence of Guaranteed Standards of Performance that cover engagement with the consumer and resolution of erroneous transfers?

We have chosen not to comment on this question as it is essentially a Supplier matter.

Question 3.8: Do you believe there is merit in extending obligations relating to the resolution of Erroneous Switches, Crossed Meters, Switch Meter Read Problems and Duplicate Meter Points to micro-business consumers or should these requirements more generally apply to all Non-Domestic Energy Suppliers? For Switch Meter Read Problems, should the scope be extended to cover domestic and micro-business consumers who are settled on a Half-Hourly basis?

We have chosen not to comment on this question as it is essentially an electricity matter.

Question 3.9: Do you agree with our proposal to introduce a harmonise procedure for escalating delayed and disputed problem resolutions for all problem areas covered by the draft Resolution of Consumer Facing Switching and Billing Problems Schedule? If not, please explain how the approach for escalations could be improved.

We have chosen not to comment on this question as it is essentially a Supplier matter.

Question 3.10 Do you agree that the draft Prepayment Arrangements Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

We have chosen not to comment on this question as it is essentially a Supplier matter.

Question 3.11: Do you agree that the draft Related Metering Point Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

We have chosen not to comment on this question as it is essentially an electricity matter.

Question 3.12: Do you agree that the draft Data Access Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

We think that this schedule requires further clarification as there is ambiguity regarding ownership of individual data items.

Question 3.13: What changes would you make to best align the draft Data Access Schedule to the Energy Data Task Force recommendations?

We have no view at this time.

Question 3.14: Do you agree that obligations should be placed on networks and suppliers to ensure that RECCo procures gas and electricity enquiry services and that obligations in the Gas Transporter and Distribution Licences can be removed?

We support the proposed removal of the licence obligations and their replacement with a joint obligation in REC on Suppliers and Transporters to ensure that the RECCo procures the services.

Question 3.15: Do you agree that the RECCo should be able to appoint either the Code Manager, Enquiry Service operator or a third party to act as the Enquiry Service Administrator for the purpose of monitoring compliance and managing Data Access Agreements?

We are in agreement.

Question 3.16: Do you agree that the draft Interpretations Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

We have no view at this time.

Question 3.17: Are there any other areas that you think should be covered in the REC to support the Switching Programme, other than those that will be included in the Technical Specification?

Gas Transporters are still awaiting an Ofgem decision on the treatment of shared supply points.

Question 3.18: Do you have any additional comments on the drafting of any of the schedules, in

particular in relation to whether they effectively achieve the outcomes described here and articulated in Design Baseline 4 or other programme documents?

No additional comments.

Question 4.1: Do you agree that Ofgem should lead an end-to-end process to develop the code modifications to deliver retail code consolidation?

We are in agreement.

Question 4.2: Do you agree with the proposed scope of the Retail Code Consolidation SCR? Do you think any additional areas should be in scope?

We are in agreement.

Question 4.3: Which option outlined above do you think is best suited to govern MPAS (as defined above) once the MRA has closed, and why?

We have chosen not to comment on this question as it is essentially an electricity matter.

Question 4.4: Do you have concerns about the suitability of any of the options for the future governance of MPAS, outlined above?

We have chosen not to comment on this question as it is essentially an electricity matter.

Question 4.5: Do you agree that the GDAA and Green Deal related provisions in the MRA should transfer to the REC?

We have chosen not to comment on this question as it is essentially an electricity matter.

Question 4.6: Do you think GDAA parties should accede to the REC, or be engaged in governance through some other means?

We have chosen not to comment on this question as it is essentially an electricity matter.

Question 4.7: Do you agree that the requirements currently held in SPAA Schedule 22 and the RGMA Baseline related to gas meter agent appointments and MDD should be mandatory for domestic and non-domestic suppliers? If not, why not?

We have chosen not to comment on this question as it is essentially a Supplier matter.

Question 4.8: Do you agree with our preferred option for governance of agent appointments and MDD, outlined as option 3 above?

We are in agreement.

Question 4.9: Do you support our proposal for consolidating the metering CoPs into the REC?

We are in agreement.

Question 4.10: Do you think MEMs should be parties to the REC?

Yes.

Question 4.11: Do you think changes to the metering Schedule(s) of the REC should be progressed through the Change Panel only, or should there be an additional MEM Panel?

We have no view at this time.

Question 4.12: Which of the requirements within SMICoP, if any, should extend beyond the initial installation of the smart metering system?

Cadent is a gas transporter and is not responding to this question.

Question 4.13: Which of the requirements within SMICoP, if any, should apply to installation of non-smart metering systems and other site visits required to carry out metering related work?

Cadent is a gas transporter and is not responding to this question.

Question 4.15: What are your views on our proposals for the governance and assurance of the SMICoP provisions once migrated to the REC?

Cadent is a gas transporter and is not responding to this question.

Question 4.16: Do you agree with our proposal for incorporating PSR provisions in the REC?

We are in agreement.

Question 5.1: Do you agree that Appendix 4 accurately describes all of the changes that should be made to licences to support the effective operation of the new switching arrangements?

We are in agreement that *Standard Special Condition A15: (Agency)* should be removed as it has been succeeded by *A15A (Central Data Service Provider)*. Concerning the obligation under *Standard Special Condition A31 (Supply Point Information Service)*, this service is currently being provided by Xoserve as the Central Data Service Provider and governed jointly with Shippers under the Data Services Contract, therefore the obligation under the license is no longer required. We do not support retaining this licence condition nor adding requirements, as Suppliers will be able to obtain information directly from the CSS.

Question 5.2: Do you agree that Appendix 4 accurately describes all of the changes that should be made to licences to support Retail Code Consolidation?

Please see response to Question 5.1.

Question 5.3: Are there any changes to licences that, if not made prior to the switching arrangements going live, would inhibit the delivery of the Switching Programme?

Please see response to Question 5.1.

Question 5.4: Do you think that we should remove licence obligations on GTs described in SLC 31 and DNOs in SLC 18 to provide one or more of the following services:

- **Enquiry services;**
- **Maintenance of a register of data associated with a metering point/supply point; and**
- **Customer enquiry service?**

Please see response to Question 5.1.