



Rachel Clark, Switching Programme  
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9 September 2019

Dear Rachel,

Re: Switching Programme and Retail Energy Code Consolidation: Proposed changes to licences and industry codes

Thank you for the opportunity to provide respond to this consultation. Northern Gas Networks (NGN) has been actively involved in Ofgem's Faster Switching Programme as well as working collaboratively with Xoserve and industry in considering the impacts of consequential changes this may result in.

We have set out our responses the specific question in the consultation in the attached appendix. NGN has limited responses to the specific questions that impact on our business as a Gas Transporter or where consequential impacts to our contracts of processes have been identified at this point.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

By email

Joanna Ferguson  
Head of Market Services & Regulatory Compliance



## **Appendix1**

### **Consultation Questions**

#### **Chapter One**

*Question 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 the changes to codes?*

The mission statement is consistent with the functions of the code and the focus on positive customer outcomes should assist ensuring that change has clear consumer benefits.

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

We agree that the initial board, being drawn from SPAA Ltd and MRASCo Ltd, will have the appropriate skills and knowledge during the transition period for switching arrangements to migrate between existing codes and the new Retail Energy Code.

*Questions 1.3-1.5: Responses submitted in August 2019*

*Question 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?*

The proposed REC Change Panel is broadly consistent with arrangements in existing industry codes. Change Panel decisions should have clear criteria to judge changes against in order to ensure that the Panel is effective

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

The proposed PAB is also broadly consistent with arrangement in existing industry codes. Ensuring that the areas identified for performance monitoring could lead to clear consumer detriment should performance not be maintained by parties will be important for ensuring the efficiency of the arrangements.

*Question 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?*

The variation between existing code modification process can lead to them being difficult to engage with. It is important to ensure that the modification processes are clear and access to all parties is available. Pace of change can vary across codes as a result of complexity of the changes as well as the codes processes themselves. Ensuring that reasonable development/assessment time is agreed at an early stage should assist parties raising modifications to have a clear understanding of the timescales.

#### **Chapter Two**

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

The transition between the existing and future arrangements through dormant conditions being made active would appear to be an efficient way of moving obligations between the codes.

*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?*

It is not clear why a second, related SCR is required and the existing SCR scope cannot be amended to include the additional activities. The key element of any SCR is the assessment of code modifications against the scope of the SCR to ensure that the arrangements contained within the SCR are appropriately ring-fenced. The existence of two SCRs covering the same parts of code should have the same effect as that of a single SCR with the appropriate scope.

*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?*

The consequential changes drafted to the Uniform Network Code (UNC) are those with most impact to NGN. We have reviewed the changes and believe that they are consistent with the intention of the programme. We believe that the two stage work carried out which re-orders UNC prior to making changes creates complexity in maintaining the code while the changes are dormant. To mitigate this NGN intends to raise a UNC Modification to implement the re-ordering element which will make legal text production of Modifications prior to the switching over more efficient to maintain.

### Chapter Three

*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.*

Gas Transporters have limited interaction with this Schedule, which appears to meet the requirements.

*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.*

NGN is satisfied that the Address Management Schedule meets the required standards.

*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.*

NGN is satisfied that the Data Management Schedule meets the required standards.

*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.*

NGN is satisfied that the Service Management Schedule meets the required standards.

*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.*

N/A for Gas Transporters

*Question 3.6: Do you agree that the draft Resolution of Consumer Facing Switching and Billing Problems Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.*

NGN is satisfied that the Schedule meets the required standards for the elements that are relevant to Gas Transporters.

*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 into account the existence of Guaranteed Standards of Performance that cover engagement with the consumer and resolution of erroneous transfers?*

NGN is satisfied that the requirements are captured adequately.

*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 Half-Hourly basis?*

N/A for NGN

*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.*

Harmonisation of dispute arrangements would appear to provide the best consumer experience.

*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.*

N/A for Gas Transporters

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

N/A for Gas Transporters

*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.*

The Data Access arrangements are suitable and broadly consistent in principle with those already in place for gas related data.

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

Data access can be a contentious issue, and it is essential that industry concerns on broadening of data access is considered and concerns addressed to ensure the most appropriate outcome.

*Question 3.14: Do you agree that the 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?*

Yes, the current Gas Transporter obligations would be obsolete under the proposed arrangements.

*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 agree that it is within the anticipated scope of RECCo to procure appropriate central services.

*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.*

NGN is satisfied that the Interpretations Schedule meets the required standards.

*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 Specifications?*

None identified at this time.

*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?*

None at this time.

#### Chapter Four

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

Yes

*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?*

The scope is as expected and no additional areas identified at this time.

Questions 4.3 & 4.4: Previously responded to

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

N/A

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

N/A

*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 or domestic and non-domestic suppliers? If not, why not?*

It would appear logical to include this in scope of REC.

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

This option is consistent with including the schedules and RGMA Baseline.

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

This is a logical extension of the work already being undertaken within SPAA for MAMCoP and AMICoP. As a gas only party who only operates as an AMI it is important that during the consolidation that obligations are not extended for parties with limited interaction with the CoPs.

*Question 4.10: Do you think MEMs should participate in the REC?*

MEMs could participate in REC for the elements that are relevant to them only.

*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 PEM Panel?*

It is important during any change process to ensure that impacted parties are able to respond to consultations and engage with the change process. Changes could progress through the Change Panel as long as there is an ability for the impacted parties to participate and have their views heard.

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

N/A

*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?*

N/A

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

N/A

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

The PSR activities relating to gas could move from SPAA to REC.

## Chapter Five

*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 agree with the Gas Transporter changes proposed.

*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?*

We agree with the Gas Transporter changes proposed.

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

We have not identified any additional changes at this time.

*Question 5.4: Do you think that we should remove licence obligations on GTs described in SLC31 and DNOs in SLC18 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?*

The removal of these services is consistent with the new arrangements and will remove a duplication of services that would be inefficient to maintain.