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Rachel Clark
Switching Programme
Ofgem
Via email

9th September 2019

Dear Rachel,

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

npower welcomes the opportunity to review this consultation.

This response solely covers the questions where the consultation asks for responses by 9th September. We have previously responded to questions 1.3, 1.4, 1.5, 4.3, and 4.4 on the 23rd July.

Npower fully supports the intention of the Retail Code Consolidation and can see the benefits of a dual fuel code relating to retail energy activities.

We largely support that the Schedules meet the required standards set out in the Regulatory Design Principles and have noted suggestive improvements where appropriate. However without the technical specification, fully evaluating the REC schedules is challenging. There may be a need to revisit the schedules once the technical specification is published to ensure that the schedules have been suitably reviewed.

Our preference is that Ofgem should lead an end-to-end process to develop the SPAA and MRA code modifications to deliver retail code consolidation. The process of developing the code will however require a transparent, wide and comprehensive consultation with the industry.

I trust you find this response helpful and please do contact me if you have any further questions.

Yours faithfully,

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Npower response to consultation questions

REC Governance Arrangements

Q1.1 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?

Yes we agree. The mission statement definition below is improved. An alternate variation is offered

“The REC will facilitate the efficient and effective running of the retail energy market, including its systems and processes. It will promote innovation, competition and positive customer outcomes.”

Alternatively

“The REC will facilitate the efficient ~~and effective~~ running of the retail energy market, including its systems and processes, through effective governance arrangements. It will promote innovation, competition and positive customer outcomes.”

Q1.2: Do you agree with our proposals on the initial and ongoing appointment of RECCo Board Members?

Similar to our response to this question back in November 2018, we agree that Ofgem should have a role in ratifying the appointments of the first Board but future Board appointments should be left to the industry to manage. We continue to not see any need for Ofgem to be involved in this process.

Further clarification on the make-up of the Board will be welcome; will the Board members be completely independent or are they representing a party class for example with weighted voting similar to how the SPAA Executive Board works?

Q1.3: Do you consider that the methodology as set out above is appropriate?

Response to question submitted 23rd July 2019.

Q1.4: Do you have any comments on the scope of services?

Response to question submitted 23rd July 2019.

Q1.5: Do you agree with our outline proposals on the set-up of the REC Manager?

Response to question submitted 23rd July 2019.

Q1.6: Do you agree with our proposals on the set-up of the REC Change Panel? Do you foresee any problems with these proposals?

We agree on the proposal on the set-up of the REC change panel. Is the intention that mandatory attendance will be required? Having an input from all parties is important so a fair picture can be gathered or at least a majority vote to be concluded that sufficient view was taken into account.

Further detail is required as to how the change panel will review & endorse (vote) upon changes in a constituency environment. This will need to be a careful balance between representing all market views and to those key market parties that would be expected to deliver the REC with the significant market share (i.e. where there would be greatest consumer impact).

Ofgem should elaborate on what will be counted as sufficient numbers and sufficient voting rights? We consider the SEC change panel to work well with a reasonable split between large, medium and small suppliers which is tested and fair. Quoracy should be in line with similar codes such as the SEC.

A lesson learnt approach applied from other Change Boards will be of value here to ensure that we do not drift into the problems of existing Change Boards such as time being spent on discussing proposals that are not required or need amending.

A potential risk would be the availability of suitable candidates, especially in a period of saturated unprecedented change within the market. As mitigation, the approach to cross-collaborative governance reviews must be examined to utilise the most efficient change management approach.

Q1.7: Do you agree with our proposals on the set-up of the PAB? Do you foresee any problems with these proposals?

We partly agree. There already exists processes to deal with performance issues; the current contract manager process for SPAA and MRA seems to work well and we would see that as the first part of call before progression to the PAB for discussions around performance assurance. Therefore further thinking may be needed about the role of contract managers within this process and how this fits in with the PAB.

Whilst acknowledging some benefit into the evolution of PAB with non-utility sector customer experiences (i.e. an introduction of other 'best practice' techniques) with large scale transformational programmes it is recommended that the PAB is mainly consisted of members with tried and tested knowledge of the utility industry.

Within the switching programme new market service delivery entrants have already entered the arena, and it is our view that the core systems providers and licenced parties' performance should be assessed and evaluated by experienced Performance Assurance members (i.e. those familiar with electricity and gas practices). We welcome further dialogue on how PAB appointments will be made.

We would prefer if there was some transparency in regards to the discussions within PAB as we feel this is lacking in the PABs current format, of course commercially confidential information relating to organisations should remain so

We would like to understand further how duplication of work across the industry will be avoided; for example, where suppliers provide quarterly reporting to Ofgem, will Ofgem provide direction to PAB on possible areas of compliance monitoring or could the two be working independently?

Q1.8: 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 partly agree; Section 12.3 of the draft Change Management schedule suggests that only REC members attending the REC panel may cast a vote and we would suggest that absent members can cast a vote in their absence to ensure that a more holistic view of all members is sought.

The industry knowledge that the Code Manager has will be instrumental in ensuring that change proposals are robust in detail and in thinking, particularly in their role as 'critical friend'. We are seeing proposals being developed with the proposer having adequate knowledge of the subject matter and thought needs to be given on the knowledge the Code Manager needs to hold to be employed into this role.

Delivery Approach

Q2.1: 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?

Yes and No. We agree that, 2.5 *'The enduring code and licence changes that will govern the new switching arrangements will initially be 'dormant' from 1 April 2021.*

These requirements will then be made 'active', that is to say they will place enforceable obligations on parties, from a date specified by the Authority in a direction.

We will issue this direction at the same point that we publish the final 'Go/No-go' decision to implement the Switching Programme systems and processes.'

At the time of the REC publication, the Switching plan with Level 1 milestones is based on switching delivery from 1st June, with a Go/No Go decision (L1-19) taken as at 21st May 2021. With this in mind, a prescriptive date of 1st April 2021 is taken to be the 'dormant status' precursor before being made 'active'.

Please note that consideration must be taken if the go-live date is delayed, for example into 2022, and impact this will have, including upon governance for MRA and SPAA switching arrangements.

Whilst in the dormant stage should any new changes need to be raised, these should be limited to fixing errors rather than innovation to maintain stability.

If RECCo are to govern non-switching obligations post 1st April 2021, what will be the role of the MRA and SPAA whilst they remain in existence? We need to ensure that it is clear where queries are to be directed to and which body responds.

Q2.2: Do you agree with the approach we have described for managing the delivery of the Switching Programme SCR and the Retail Code Consolidation SCR?

Yes partially; during the SCR maintenance phase to minimise disruption innovative change should be limited with urgent modifications only being progressed.

Firstly, with regard to the recent Switching Roadshows, and the publication of the switching plan (for consultation) we note milestones L3RE030 (Statutory Consultation – closing 11 December 2020) and L2RE040 (Ofgem publication of its decision notice to amend licences and approve industry code modifications – closing 29th January 2021).

Secondly, regarding the implementation of the Significant Code Review (SCR) (as outlined within 2.22 – 2.26), where the decision letter to end the SCR is planned to be issued by January 2021, we would certainly favour baselining of the REC schedules at the latest by the end of 2020 to allow for sufficient time for any unexpected variation or change to be incorporated into systems and processes. Governance stability is recommended at the earliest opportunity, ahead of the anticipated go-live in 2021.

Q2.3: 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?

Comments on the Master Registration Agreements based on the provision that the Remaining MRA schedule will be the enduring REC schedule:

Please confirm that Section 6 'Constitution of MEC' is required? With the Governance arrangements for The Retail Energy Code, please confirm any future role of the MEC? If the MEC is no longer required (in the long term), please confirm whether the MRA schedule needs to accommodate the 'Constitution of the MEC' especially as the industry is seeking to simplify codified arrangements.

We recommend a document review where MEC is referenced – in places MEC has been substituted by REC, yet not throughout (for example, Section 4 "Additional Parties" (p. 42). Please confirm whether Section 3 'Commencement and Duration' (p.41) should actually be superseded with references to the new REC schedule 'Entry Assessment and Qualification Schedule'?

Please confirm the longevity and future plans of the 'Constitution of the MRA Forum' (as per Section 7, p.41)?

Please confirm the future aspirations regarding industry MRA costs (as per Section 8, p.67), especially with the REC budget? Is this an area for future consideration?

Switching Programme REC Operational Arrangements

Q3.1: 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.

Registration Services Schedule: suggested areas for improvement.

2.1 'must only submit a Switch Request to the CSS Provider in respect of an RMP where the Gaining Supplier has an Energy Contract' – please clarify how the Supplier of Last Resort process works in these scenarios? Would the "new" supplier have to raise switch requests, or would there be other processes to change the defunct Energy Company with the new Energy Company entity?

2.3 (a) with reference to '*no more than 28 days after (but not including) the day on which the switch request is submitted*' – please clarify this means 28 calendar days (rather than 28 working days).

4.2 'where a Shipper is deemed (in accordance with the UNC or IGT UNC) to have granted authority to the Gas Retail Data Agent to register a Supply Meter Point on the shipper's behalf...' do you mean "on the Supplier's behalf?"

5.3 (e) 'if it is a RMP which is a Related Metering Point, that the Registration Service Request relates to the Primary Metering Point' : on a broader point, whilst the industry is moving towards Stage 0 data cleansing, what is the process or governance for any Related Metering Points that neither have the 'Primary' or 'Secondary' marker associated to it? For example, if the customer is adamant that their Related Metering Points are to be split across several contracts, across several Market Participant Supply Ids, how will this scenario realistically work in practice, and how will this be reflected within the governance REC schedules (and all the processes involved with Related MPAN activities, e.g. withdrawals, annulment, etc.)?

It would be useful to see the Technical Specifications as to how CSS identifies a Related Metering Point (i.e. is this only where CSS holds the data cohort with a primary/secondary marker associated to it?)

5.3 (f) 'for Switch Requests, that the proposed Supply Effective From Date is not within a Standstill Period' – should reference be inserted "subject to no Standstill Period shall apply for Switch Requests resulting from Erroneous Switches" (as per definition proposed within the Schedule 1 : Interpretation Schedule for REC V1.0 and V2.0).

REC Sections 6.1 and 6.4 outlines the Losing Supplier process to follow to determine whether an objection is applicable. We welcome your review whether it would be beneficial to include narrative (or similar to reflect the change to data items/schedules, etc.) from the current Master Registration Agreement, that is, clause 16.2 to actually describe the objection process steps that a Supplier would take. MRA Section 16.2 (MRA version 12.3) is as follows:

16.2 Where the notice received by the Old Supplier pursuant to Clause 15.9 indicates that data item 7 in Schedule 2 for the Metering Point in the New Supplier's Application for Registration has been set to "T" ("True") the Old Supplier should use reasonable endeavours to establish whether that data item has been set accurately by the New Supplier when determining whether it has reasonable grounds to issue an objection in accordance with Condition 14 of the Electricity Supply Licence.

Section 11 – Confirmed Registrations. Section 11.5 requires updating for completeness to reflect section(s) 11.3 and 11.4. It's noted that Section 17 'Supplier Agent Appointment and Update of Meter Asset Provider' covers synchronisation messages within its interface timetable for the Agent Appointment process, and so should Section 11.5 cover the agent appointment steps, (regardless whether it is a BSC requirement).

Section 13 – refers to the ESP – EES, and ESP – GES (meaning the electricity, or, gas enquiry service provider). Please clarify whether this is one & the same as "The Market Intelligence Agency" (which is referenced throughout the Logical Design, within Abacus)? If different, does "Market Intelligence Agency" need to be referenced within "The Interpretation Schedule"?

Q3.2: 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.

Address Management Schedule- suggested areas for improvement:

General - Please consider whether we need to include any general statement as to the scope / usage of the Retail Energy Location Address, i.e. whether this is purely limited to switching activity only (albeit noting some limited reference under section 3.5).

'2 Ensuring Address Quality'; with reference to "Section 2.3 (b) take all reasonable steps to (i) identify inaccuracies and anomalies in the REL Addresses and (ii) continuously improve the accuracy and quality of the REL Addresses," and with reference to "Section 2.5 The CSS Provider's Performance in ensuring the accuracy and quality of the REL Addresses is subject to Performance Standards:" It's recommended that the REC Address Management Schedule includes firmer "outcome targets" for address quality, rather than relying on the narrative "all reasonable steps" and future Performance Standards to be set by the REC PAB. As part of Readiness Assessments it is envisaged 'what good looks like' and this should be firmly enshrined in the schedule, akin to usual performance standards across the industry to measure the data integrity of this important data item.

General – upon review, it would appear that not all the 'address management' process activity steps within the Logical Design (relating to Abacus "Energy Location Lifecycle Section 1. Create Location Network Connections, Metering Equipment and Retail Arrangements) are covered within the address management schedule. Please could this be reviewed and updated. For example, the Energy Location Lifecycle Section 1 covers scenarios such as 'Register GB new standardised address,' and 'Creation of the RMP' (e.g. detailing the interactions with 'Distribution Network Operator, or Gas Transporter, within the end to end process before involvement from either the Electricity/Gas Retail Data Agent). There needs to be clear governance and representation how the address information flows from 'cradle to grave' for a full understanding how address management data is handled (regardless of whether other industry codes are utilised).

Q3.3: 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.

Data Management Schedule - suggested areas for improvement:

Section 5.6 Switching Domain Data Types (f) Market Participant event – with reference to the indicators, please clarify / confirm that apart from a value field, that details will be kept and maintained for the effective dates of the relevant data value. This may be useful to determine the effective from date of any market sanctions against switching request dates (and to be used within CSS validation rules). It is assumed that CSS will hold the "associated effective dates" to help within its validation, so for completeness the REC Data Management Schedule should reflect this (including where applicable any references within the timetable).

Q3.4: 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.

Service Management Schedule - suggested areas for improvement:

General – please confirm the agreed service levels and KPIs within the REC schedule : the Service Management Schedule should be unambiguous with clear expected performance levels.

Q3.5: 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.

Entry Assessment & Qualification Schedule - suggested areas for improvement:

1.1 'A Party that wishes to operate as an Energy Supplier or Distribution Network Operator must complete entry assessment to demonstrate that it is able to comply with its obligations under this Code.' Is there a requirement to insert additional narrative to indicate that new parties have to 'pass' entry assessment to adhere to other industry codes? As an hypothesis, at the time of REC v2.0/v3.0 introduction, if there were no other industry code entry assessments, then it would be recommended that section upon 'Self Assessments (2.10 – 2.17) has a full review to ensure that other non-switching code requirements are suitably covered.

2.6 – 'The Code Manager shall make available an Entry Assessment application form on the Website.' Please either insert a note indicating that the Technical Specification will make clear the Website or Address, or, please clarify 2.6 to provide further details.

Q3.6: 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 are supportive of the draft Resolution of Consumer Facing Switching and Billing Problems Schedule and agree that it meets the Regulatory Design Principles.

Q3.7: 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?

Suggested areas for improvement/clarification:

Section 4 Operational and Escalation Contacts:

Section 4.3 States – 'Each Energy Supplier shall provide a telephone service for managing operational and escalation queries from other Energy Suppliers. As a minimum, the telephone service shall be operated within Working Hours.'. A footnote and defined list of what/where the 'Working Hours' are to be located would be of assistance and remove any future misalignment.

Section B: Erroneous Transfers:

Schedule B appears to reflect the current arrangements for dealing with erroneous transfers at set out in the ETCC in terms of:

- what action will be taken when an ET occurs;
- an affected customer being transferred back to their original supplier; and
- how they will be kept informed of progress towards resolution

However, the schedule doesn't appear to cover the elements of the ETCC requiring:

- that customers will only pay once for the energy consumed and how their billing arrangements will be treated; nor
- how complaints will be resolved and, where appropriate, how compensation claims will be dealt with.

Schedule B refers to 'Erroneous Switches' (ES), which because each word in the aforementioned phrase is capitalised means it is a defined term: (a) Where is it defined? (b) Why has the nomenclature changed from 'Erroneous Transfer' to 'Erroneous Switch' ? The consultation document and the question (3.7) itself refers to the former. It needs to be consistent. I would suggest that the original phrase is retained; industry parties are comfortable with it and know to what it refers.

Paragraph 6.4 of Schedule B states that a Customer Service Returner (CSR) is not to be classed as an ES. However, in the MRA Agreed Procedure: 'The Procedure for Resolution of Erroneous Transfers - MAP10', clause 1.5, and SPAA Schedule 10: 'The Procedure for Resolution of Erroneous Transfers', clause 1.1.2, both list CSRs as ETs (ESs using the revised title). Why have CSRs been excluded from the process here?

Paragraph 6.5 of Schedule B states 'This Section B shall only be used in the period of 24 months following the suspected Erroneous Switch. Beyond this point, Energy Suppliers shall seek to agree bilaterally how to treat a potential Erroneous Switch.' Can clarity be given, as to whether this applies to both Power and Gas?

Section 5 Escalation of Delayed and Disputed Resolutions:

Section 5.4 states 'If no response is received within 5 Working Days after the issue is escalated under Paragraph 5.4, the affected Energy Supplier..' We believe this should reference Paragraph 5.3.

Section 5.4 states 'If no response is received within 5 Working Days after the issue is escalated under Paragraph 5.4, the affected Energy Supplier may escalate the issue to the Contract Manager. If no resolution can be reached within 5 Working Days after the issue is escalated to the Contract Manager, then the affected Energy Supplier may escalate the issue to the Code Manager for consideration.' An example of the current escalation process within MAP 10 sees the Process as 'Initial follow up Day +5 Supervisor/Manager of Operational Staff' then 'Second follow up, Day +10, Nominated ET Handling Contact' and finally 'Final follow up 'Day +15, MRA Supplier Contract Manager'. The proposed timescales within 5.4, are not reflective of the current process, so we would like further consideration of alignment to be given.

Section 12 Resolution Process:

General observation and consideration needs to be given to any timescales that might change through the defining of Quicker Switching, to ensure that there is alignment.

Section 12.1 (a) and (b) do not make specific reference to Smart, unlike (c) and (d) do. Can clarity be provided.

Section 13 Interface timetable for Disputed Switch Meter Readings:

13.9 states 'Ask the Consumer to provide a Customer Own Read (if the Consumer has not already done so) or instruct the meter reading agent to obtain an Actual Meter Reading within 10 Working Days.' This step feels incomplete, as this does not match current SLA or processes i.e. A Supplier would make a request, and the Agent then has a number of days to complete the action, then return the results to the Supplier to process.

Section 16 Resolution Process:

Section 16.4 States '...as described in Paragraph [x]'. When will this be consulted on and communicated?

Section 17 Interface Timetable for Crossed Meters:

As the Technical Solution for Gas and Electricity is not to be developed until after the appointment of the Code Manager, it is not possible to completely review this Section, as the 'When' and 'Method' are yet to be populated for review.

Q3.8: 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?

Broadly we agree that implementation of industry standards is a positive step, however we would not be in favour of implementing all domestic rules to I&C customers without further industry discussion. Yes, we are supportive of extending obligations relating to the process for resolution of Erroneous Switches, Crossed Meters, Switch Meter Read Problems and Duplicate Meter Points to micro-business consumers to improve industry standards and would support exploring the option of applying these to all non-domestic customers, however a REC workgroup to discuss this option may be the best way forward. For the avoidance of doubt, we do not support compensation payments for non-domestic customers given contractual protections will generally apply.

We agree that Switch Meter Read Problems should apply to customers regardless of how the customer is being settled. It is possible and even likely that after Ofgem implement Market Wide HH Settlement reform many customers will be settled HH but billed in a NHH capacity. To exclude these customers from industry protections is likely to reduce the number of customers that allow their data to be settled HH and opt out of HH proposals.

Q3.9: 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.

Yes, we would be supportive of a harmonised procedure for escalating delayed and disputed problem resolutions, providing that there are clear timescales in place between levels of escalation and checks that each level of escalation had been used before involving the Performance Assurance Board. We would not want to see suppliers having to use time and resource to defend against unsubstantiated escalations. The REC manager would need to fill this role.

Q3.10: 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.

Suggested areas for improvement/clarification:

Section 6 Fixed Balance UTRNS:

6.6.3 States – 'Within 3 Working Hours of receipt of the request in accordance with 6.6.2.' A footnote and defined list of what/where the 'Working Hours' are to be located would be of assistance and remove any future misalignment.

Section 8 Update Prepayment Device:

8.6.1 states 'Within [...] Working Days following a tariff update'

8.6.2 states 'Within [...] Working Days following a debt management update'. When will this be consulted on and communicated?

Section 9 Prepayment Transaction Reporting and Issue Resolution

Section 9.6.2 & 9.6.5 States – Under Information required '[...]' and Method '[...]'. When will this be consulted on and communicated?

Section 9.6.6 States – Under Action 'Contact the Initiating Supplier to discuss the matter and come to an agreement on the resolution.'. What if resolution cannot be resolved? We would recommend adding a step to a resolution process.

Appendix 1 Process for Managing Tariff Codes (Gas Only)

1.7 a) States – 'by no later than 30 days following...'

1.7 b) States – 'by no later than 150 days following...'

1.9 a) States – '30 days after...'

1.9 b) States – '150 days after...'

1.12 c) States – '...within 30 days from the dates the ...'

In all instances and to avoid an misunderstanding by any Party, can it be agreed and specify if these are Working Days or Calendar Days?

General Observation. A significant number of processes cannot have a full assessments completed, as the Technical Spec is not yet available, and the Method is 'Not yet specified'.

General Observation. Why are some days numbered by surrounding [...] and others aren't (examples of inconsistencies are found in 8.4.1, 9.6.10).

Q3.11: 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.

Related Metering Point Schedule - suggested areas for improvement:

Title page – states 'non-domestic suppliers - Mandatory for Electricity Suppliers (NHH UMS only)'. We believe a comma should be inserted between NHH and UMS only to clarify that this is applicable to both NHH customers and UMS customers). In addition, should this also include reference to HH customers as well? Some Related Metering sites include both HH and NHH supplies, at the same address, for the same customer.

Section 2.4 – This does not include the process step (in the timetable) whereby The Electricity Retail Data Agent validates the information supplied from the Registered Supplier (i.e. confirming that the details are correct, per industry rules) before either rejecting the flow, or, notifying the CSS.

Section 3.1 – Likewise, The Electricity Retail Data Agent step of validation of the information supplied by the Registered Supplier is omitted from the Ending of Related Metering Point timetable.

Q3.12: 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.

Yes we agree.

Q3.13: What changes would you make to best align the draft Data Access Schedule to the Energy Data Task Force recommendations?

Industry data is presently not fit for the purposes of energy policy, consumer protection or enabling a low carbon transition. It is necessary to join up data on people, buildings and consumption to better support consumers' individual needs and reduce bills. Ofgem has a critical role to play here, to work with both industry and non-industry parties and better coordinate data related initiatives, including the introduction of new industry databases.

We believe that the Code Manager is best placed to assess the recommendations from the Energy Data Task Force and make suitable changes to the Data Access Schedule.

Q3.14: 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?

No we do not agree. DNO's will still be required to maintain the MPRN / MPAS databases, licences should be modified to make clear the changing service but also implement obligations for the services that remain a DNO responsibility.

Q3.15: 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?

As the Enquiry Service falls within the switching auspices, perhaps the Code Manager has a role to play directly (or indirectly via other parties) to offer compliance oversight to manage the Data Access Agreements.

We are however supportive of this flexibility to ensure compliance but also balance this against costs.

Q3.16: 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.

Interpretation Schedule- suggested areas for improvement:

Please see our response to Q3.1 – please confirm whether the Market Intelligence Agency (which appears in the Logical Design Model) requires a definition within the Interpretations Schedule?

Q3.17: 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?

Earlier comments within the response refer to the need for cross-referencing to other code bodies / and their code governance, to present an end to end view of the process. Within the Logical Design (i.e. Abacus) there are references to other parties that fall outside the remit of the retail switching arrangements governance (e.g. Distribution Network Operators) which is useful as the user can see the end to end process. Similarly, where applicable, the current drafting of the REC schedules should be extended (even though it may fall under other bodies) to show the governance arrangements in place.

Q3.18: 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?

The evolution of the REC schedules certainly assists with the holistic understanding of Design Baseline 4 and other programme product documents.

It is for this reason, we recommended further additions into the REC schedules for those E2E processes that are switching related, yet fall under the auspices of other code governance bodies, for ease of switching reference rather than any legally binding obligation.

Retail Code Consolidation: SCR Scope, Process and Proposals

Q4.1: Do you agree that Ofgem should lead an end-to-end process to develop the code modifications to deliver retail code consolidation?

Yes, we agree. The process of developing the code will require a transparent, wide and comprehensive consultation with the industry.

Q4.2: Do you agree with the proposed scope of the Retail Code Consolidation SCR? Do you think any additional areas should be in scope?

Yes we agree with the proposal but Ofgem should keep an eye on scope creep to the REC and only bring in changes outside the scope which are deemed necessary to the function of the Retail Code Consolidation SCR.

Q4.3: Which option outlined above do you think is best suited to govern MPAS (as defined above) once the MRA has closed, and why?

Response to question submitted 23rd July 2019.

Q4.4: Do you have serious concerns about the suitability of any of the options for the future governance of MPAS, outlined above?

Response to question submitted 23rd July 2019.

Q4.5: Do you agree that the GDAA and Green Deal related provisions in the MRA should transfer to the REC?

Yes, we support the GDAA and Green Deal related provisions in the MRA transferring across to the REC as it is simpler if all provisions are housed in one place and easier to manage from a cost perspective. We do recognise however that this may not be an easy task to achieve and that we should learn lessons from the previous attempt to merge the GDAA into the MRA to try to address governance issues early on in the process by ensuring that all relevant parties are engaged effectively.

It may be worth at this point considering the longevity of the Green Deal arrangement and whether BEIS should take steps to better understand whether closing it down would be in the best interests of the end customer and potentially avoid the transfer of these provisions into the REC. We would support this being looked at in more detail.

Q4.6: Do you think GDAA parties should accede to the REC, or be engaged in governance through some other means?

Our preference would be for GDAA parties to accede to the REC however if this is not achievable, we recognise that GDAA parties need to have the rights and ability to be able to change things. Similar to when SPAA ring-fenced I&C suppliers within the TRAS process, it may be feasible to ring-fence GDAA parties' participation in the REC.

Q4.7: 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?

Yes we agree.

Q4.8: Do you agree with our preferred option for governance of agent appointments and MDD, outlined as option 3 above?

For the time being, our preferred option is Option 2 *'transfer the gas agent appointment provisions and metering MDD to the REC, and leave the electricity provisions to the BSC'* with a longer term view that changes can be made in the future to move electricity provisions across to the REC.

There is a high amount of risk in moving across the electricity provisions and to make this change at the same time as the gas provisions moving across is unnecessary when there appears to be no immediate benefit in having the electricity provisions move out of the BSC.

Q4.9: Do you support our proposal for consolidating the metering CoPs into the REC?

Yes we do support Ofgem's proposal to consolidate the metering CoPs' into the REC. We agree that there should be no proposed changes to the governance on the technical meter specifications.

Q4.10: Do you think MEMs should be parties to the REC?

We agree with MEMs being a party to the REC in so much that the MEMs should only be party to those schedules which are relevant to them. This would support continuous improvement by ensuring everyone is accountable but also by ensuring any necessary changes within the MEM sector are captured and supported by votes by the MEMs themselves.

Q4.11: 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 recommend that similar to the supplier hub arrangements that exist today there should be a MEM sub group to the REC Change Panel, with the REC Change Panel being the ultimate decision body.

Q4.12: Which of the requirements within SMICoP, if any, should extend beyond the initial installation of the smart metering system?

It seems self-evident that clauses 3.10 (Incomplete Installations), 4.2 (Customer Feedback), 5 (Fault Resolution) and 6 (Complaint Resolution) of SMICoP should be included in the

provisions moved to the REC. Ofgem seems to have accepted this, as its intention is to carry over Section A of the SMICoP in its entirety (paragraph 4.82 of the consultation refers).

Presently, SMICoP applies only to 'first fit' circumstances: that is, when a smart metering installation (SMI) is installed, the supplier that installs it only has to apply the provisions of SMICoP for the customer for whom it was installed (or the first user, where, for example, SMIs are installed in new housing developments, but the developer, who is, notionally, the customer of the supplier until the properties are sold, has no intention of occupying them), not any subsequent customer(s).

While there may be some logic to suppliers applying certain provisions of SMICoP to non-first user smart customers who move into a property where one has been installed (that is, and for example, where there has been a change of tenancy and the new occupant is unfamiliar with smart generally or the SMI in that property), there are many variants on the circumstances prevailing and hence how this service could be delivered. Would it require a face-to-face demonstration, as per the initial installation, in every case? Or on a request-only basis? Could it be delivered in some other way than via a visit (for example, online or by literature sent through the post, or over the phone)? Would or could it be applicable only to certain customers, for example, those with certain vulnerabilities? Whatever, if introduced, such a requirement will attract additional costs for suppliers that would need to be quantified via some kind of impact assessment.

Much more difficult are circumstances involving both a change of tenancy and change of supplier. The new supplier may be taking over an SMI comprising equipment different to that which it installs and with which its installers are familiar. It would be unfair to expect suppliers to be required to have the necessary expertise for different types SMI equipment that may never be needed. Again, this will have significant cost implications and will require an impact assessment before it is considered.

Providing energy efficiency advice would be easier because of its universality and applicability, but again, this may be better delivered on a request-only basis rather than across the piece.

Q4.13: 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?

It is not clear what is meant by 'non-smart metering systems'. SMICoP was created and applies solely on the basis of smart metering installations becoming predominant in the future in the domestic and micro business sphere and facilitating this change. There is already rules extant pertaining to existing and traditional metering systems. As these systems diminish in number (because they're being replaced by SMIs), then it would seem otiose to extend SMICoP to cover these circumstances. However, without having some further insights to Ofgem's thinking, it's difficult to answer this question with any certainty.

Q4.15: What are your views on our proposals for the governance and assurance of the SMICoP provisions once migrated to the REC?

It would seem sensible that if the main provisions of SMICoP are incorporated into the REC, the governance and assurance arrangements should follow suit. It is, however, right that Ofgem consults the body currently responsible for SMICoP's governance - the SMICoP Governance Board (SGB) - to assess the details of how the process would work post-incorporation. SGB has a well-established structure, and SMICoP contains a change process

that is always kept under review (and which itself is currently undergoing changes). Changes to SMICoP can be facilitated quickly; this flexibility should not be lost by its subsuming into a multi-contractual code that will contain much more substantial codes. We would suggest that the existing SMICoP governance process must not be overshadowed simply on the basis of other incorporated codes' size and longevity. It may be that a 'one-size-fits-all' governance process will not work without adversely affecting a former stand-alone code's individual procedure.

Q4.16: Do you agree with our proposal for incorporating PSR provisions in the REC?

We agree that with the relevant codes' incorporation into the REC that it then follows that the PSR provisions in former should also be incorporated. Any such incorporation, however, should not affect the timetable for the introduction of PSR-related changes currently in the pipeline (cf. the sharing of data between energy and water companies).

Licence Condition Changes

Q5.1: 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?

Our comments are as follows:

SLC14, 14.1:

The current Standard Licence Condition 14.A.1 (c) does refer to other criteria under 14.A.3 - so it's not quite so straightforward to flip between the rights of the incumbent supplier vs. gaining supplier. We welcome further proposals upon the wording.

SLC14A, 14A.3(f):

Similar to Cooling Off Period suggested amendments (i.e. not placing an obligation on a supplier to Switch a customer - for that 'said reason'), should there also be a term within the Standard Licence Condition relating to 'Standstill Period' ?

SLC14A, 14A.7:

We recognise the industry timeline for consumer switch (i.e. the next working day for domestic customers and the end of the following working day for non-domestic customers).

This is very similar to the proposed drafting under reference 12.

Our observation is that the narrative "the licensee must take all reasonable steps to maintain, and where appropriate, improve the relevant systems, processes and data that facilitate the Supplier Transfer process," is very similar to the 'Duty to Co-operate' licence condition, so is this necessary?:

SLC14A, 14A.12:

Recommend to insert another caveat for the Standstill Period as well.

SLC17, 17.9 to 17.11:

Agree. It is worth inserting that only the registered supplier must submit a Change of Domestic Premises Indicator Request for an RMP (Registrable Meter Point) (In addition, RMP requires a definition within the Interpretations Schedule).

Q5.2: Do you agree that Appendix 4 accurately describes all of the changes that should be made to licences to support Retail Code Consolidation?

We would welcome the introduction of licence narrative to explain how the 'Standstill Period' rule works within the Customer Transfer process.

Q5.3: 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?

No, we do not believe any future changes would inhibit the delivery of the Switching Programme. Key licence changes have already been made in Standard Licence Condition 'Duty to Co-operate' (11.13-11.15), and, Section 11B – Retail Energy Code.

Q5.4: 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?

We support the removal of licence obligations on GT's and DNO's in relation to Enquiry Services and Customer Enquiry Service as these services will move across to the REC.

With regards to removing licence obligations around the maintenance of a register of data associated with a metering point/supply point we believe that these should remain as a licence obligation for existing obligations as should any breaches occur in this area, they can be dealt with more effectively if they remain.

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