



Scottish & Southern
Electricity Networks



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Rachel Clark
Switching Programme
Ofgem
9 Millbank
LONDON
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10 November 2020

By email only to: Switchingprogramme@ofgem.gov.uk

Dear Rachel,

Re: Retail Energy Code proposals for version 1.1.

Scottish and Southern Electricity Networks (SSEN) welcome the opportunity to respond to the Retail Energy Code proposals for version 1.1. This response is on behalf of Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc.

SSEN supports the establishment of the Retail Energy Code (REC) in conjunction with the Central Switching Service as it will lead to an enhanced customer experience and further improvements to competition resulting in wider benefits for all consumers.

SSEN see this as an opportunity to consolidate existing codes to provide more clarity and transparency across industry through the provision a dual fuel solution.

Please see attached SSEN's responses to the consultation question.

Yours faithfully

Terri Hamilton
MRA Contract Manager

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ssen.co.uk

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Q2.1 Do you have any comments on the process for appointing additional RECCo directors?

The appointment of RECCo directors through a nominations committee appears to be a transparent process which SSEN support.

Q2.2 Do you agree that MEMs should be Party to the REC?

Metering data is a fundamental requirement for customer service and ease of switching, so it makes sense that MEMs should be party to the REC.

Q2.3 Do you agree in principle that the obligations currently placed upon metering agents by the BSC could be integrated with the REC performance assurance framework, subject to certain conditions being met?

As a network operator we feel this question is best responded to by MEMs.

Q2.4 Do you agree that the RECCo should be required to develop and maintain a Strategy for the REC, including but not limited to digital transformation of REC processes and data?

It makes sense to develop and maintain a strategy and utilise developing technologies in line with other industries however SSEN would like to see robust business cases and cost benefits for any development. Any strategy must be underpinned by clear objectives as set and agreed by Ofgem.

Q2.5 Do you agree that RECCo should adopt zero based budgeting from 2021/22?

Adopting a zero-based budgeting process in line with other organisations would deliver business justified expenditure on an annual basis.

Q2.6 Do you agree that future RECCo budgets should be decided upon by the RECCo Board, subject to appeal by REC Parties? 'better' outcomes for all customers.

SSEN agree with this approach.

Q3.1: Do you agree with the proposed composition of the PAB, as set out in the Terms of Reference published with this document (see Appendix 2).

The proposed composition of the PAB is a good reflection of industry participants as well as consumers views and SSEN finds this acceptable.

Q3.2: Do you agree that any organisation undertaking an activity governed by the REC would be within scope of the performance assurance framework in respect of those activities?

Agreed.

Q3.3 Do you agree that at least one of the PAB's priorities should be determined by Citizen's Advice?

This proposal would ensure industry gets feedback from the end consumer via the Citizen's Advice Bureau benefitting all parties.

Q3.4: Do you agree that the PAB should have discretion to escalate liabilities within a defined range if the earlier application of charges does not achieve the desired effect?

It is important that liabilities are cost reflective and remain proportionate to the issues under consideration.

Q3.5: Do you agree that suppliers with serious performance issues should face restrictions on their ability to acquire new customers until those issues are resolved?

Yes, end consumers are entitled to the best service possible which serious performance issues would impact.

Q4.1: Do you support our proposals regarding the production of preliminary and detailed IA?

SSEN supports this approach.

Q4.2: Do you agree that the Change Panel should be appointed by the RECCo Board, following a process overseen by the nominations committee?

SSEN agrees with this approach.

Q4.3: Do you agree that the REC should encourage shorter and more frequent Change Panels, to be held remotely where possible?

Considering the current crisis and the success of remote meetings during the pandemic which have shown to be a more efficient use of time and resource. More frequent meetings should implement improvements more speedily. Our only caution would be to ensure that "shorter and more frequent" meetings do not lead to other inefficiencies or insufficient preparation and challenge.

Q4.4: Do you agree with the proposed categorisation of REC documents and associated change paths?

SSEN agree with the proposed categorisation of documents. The proposal is clear and concise.

Q4.5 Do you agree that code administrators and managers should be able to raise any changes identified as necessary by the CCSG?

This approach would ensure consistency across codes therefore SSEN agrees with the proposal.

Q 5.1: Do you agree that we should extend the valid reasons for an objection to include ongoing and time-bound theft investigations, and subject to monitoring by the PAB? Do you have any suggestions for the period during which it should be possible to maintain investigations as a reason for an objection and what should trigger the start of that period of time?

As a network operator we are not involved in the objection process, so this question is more relevant to the Suppliers.

Q5.2: Do you consider that the RECCo should be required to periodically review the effectiveness of the incentive scheme(s)?

SSEN believes any incentive scheme should have regular reviews to ensure the effectiveness of the scheme.

Q5.3: To what extent, if any, do you consider that the Theft Target should be reduced pending the replacement of the Theft Risk Assessment Service?

SSEN has no strong views on this and have no comments currently.

Q5.4: Do you agree that the RECCo should procure a theft methodology, and use that to assess the effectiveness of a Theft Reduction Strategy, which it should also develop?

RECCo should have a theft methodology that can assess the effectiveness, business case and any benefits that future initiatives can deliver.