

September 29, 2017

Dear Rachel,

**UK Link and the proposed Central Switching Service**

Please find ICoSS' response to the above consultation below.

*Chapter: Three*

*Question 1: Do you agree with the benefits outlined in 3.7 a-c below? If so, how significant do you consider these benefits could be for the purposes of implementing more reliable, faster switching?*

ICoSS believes that consideration of UK Link as the basis for the Central Switching Service (CSS) creates an opportunity to achieve the aims of the faster switching programme in a cost-effective manner while building this solution on a system of proven efficiency, thus reducing delivery risk to the overall project to a considerable degree.

This will deliver an attendant benefit to competition as suppliers will incur a lower level of cost for the development of and integration with an already existing system rather than a completely new system which will need to be built from scratch and may inefficiently duplicate functionality which the UK Link system currently provides.

*Question 2: Are there other benefits that we have not identified?*

Using the existing UK Link system as a basis for the CSS will be likely to provide significant additional benefit in terms of increased speed of delivery and reduced operational costs. As previously stated, UK Link is a system which is operating now and which can be expanded to provide CSS functionality within a shorter time-frame than would be expected for the creation of a completely new system. In addition, Xoserve is already staffed by employees with a large amount of industry experience and would likely not require a significant number of additional employees to deal with the new CSS service, nor new office space as this could be accommodated as its current location. Both these factors support the utilisation of UK Link on a cost-efficiency basis, thus resulting in a lower level of associated cost being passed on to customers.

*Question 3: Do you see any particular risks or disadvantages?*

While any change to the market on this scale coupled with the necessary IT delivery programme will unavoidably be accompanied by some degree of risk around delivery, ICoSS believes that Xoserve has proven its ability to effect changes of this scale through the delivery of UK Link itself. We are

also of the view that the Central Data Service Provider (CDSP) governance arrangements now in place at Xoserve will provide the necessary level of industry oversight in relation to delivery of the CSS project.

However, we would appreciate it if assurances could be provided that, if the SAP IS-U solution proposed is chosen for the CSS, suppliers with other internal IS solutions will not face any disadvantage on a cost and implementation basis in comparison to those who already use this system.

Chapter: Four

Question 4: Under the current Xoserve CDSP governance do you believe there are any substantive obstacles to Xoserve's ability to participate in a competition? If so how could these obstacles be overcome?

Although it is true that some existing governance arrangements would need to be amended to allow Xoserve to participate in a competitive tender for provision of the CSS, we believe these changes should be relatively simple to justify and enact, particularly when the cost-efficiency and market competition benefits discussed above are taken into consideration.

ICoSS is of the view that this could most easily be achieved by expanding the parties required to be signatories to the Data Services Contract (DSC) to include suppliers and amending the CDSP Services definition to include CSS provision should Ofgem feel that this is required.

I would like to close by stating ICoSS' view that, given the general regulatory principles of ensuring both benefit to competition and that obligations placed on the industry should be designed as to be achieved in the most cost-effective manner, we believe that provision of the CSS by Xoserve should be given the appropriate degree of consideration by Ofgem.

I trust this response will prove useful, please do not hesitate to contact me should you have any questions or require any further information.

Yours sincerely,

Chris Hill

[chris@icoss.org](mailto:chris@icoss.org) / 07776 137403