

31<sup>st</sup> July 2018

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By email only to: [switchingprogramme@ofgem.gov.uk](mailto:switchingprogramme@ofgem.gov.uk)

Dear Rachel,

**Response to the Ofgem consultation on Switching Programme: Proposed modifications to regulation and governance**

BUUK Infrastructure Limited (BUUK) welcomes the opportunity to respond to the above consultation on the proposed modifications to regulation and governance. This response is provided for and on behalf of BUUK's IGT and IDNO Licensees (GTC Pipelines Limited, Independent Pipelines Limited, Quadrant Pipelines Limited, The Electricity Network Company Limited and Independent Power Networks Limited).

In principle BUUK supports the introduction of the Retail Energy Code, including the RECCo, Panel and Manger. BUUK has engaged significantly to in the Faster Switching programme and do have a number of concerns and points that we wish to make:

- The Generic Licence Obligation to Cooperate – whilst we agree that a licence obligation to cooperate is a good idea, we draw caution that this alone will not solve the issues experienced during Project Nexus. Failures inherently related to non-licensed parties and it would be unfair to place additional burdens upon licensees because of the failings of an unlicensed third party. In response we provide alternative wording to the generic obligation to cooperate, which can be found in Appendix 1.
- RECCO and Panel Composition – BUUK emphasise the importance of ensuring that the RECCo and Panel have the correct level of resource, knowledge, experience and ability to be able to manage and govern what is going to be a complex governance regime. The early creation of both the RECCo and Panel with the subsequent scope and role being the delivery of the Faster Switching Programme itself, places greater impetus on these NED members having experience and calibre in programme delivery. This may prove difficult to source given individual resource constraints.
- IGT initial registration - Whilst Ofgem have not requested any specific review on the Registration Service Schedule, BUUK would like to highlight our view that the

management of larger, new network operations, predominantly undertaken by IGTs, as outlined in the IGT UNC, will remain unchanged. We believe that this will not directly be referenced within the REC, but contained within Service Management documentation. IGTs still procure a large, growing proportion of new connections within the market and this process is not only vital for Developers but for end consumers, ensuring less Shipper-less sites and efficient network management.

- UNC and IGT UNC references - Ofgem should be mindful that there are distinct differences between the codes and corresponding obligations. Simply referencing the UNC may not totally cover obligations in the IGT UNC and therefore mean that the IGT UNC is also needs to be referenced.

Our full response to the consultation questions can be found in Appendix 1 and concerns that have not been covered within the questions can be found in Appendix 2 of this letter.

Yours sincerely

Mike Harding  
Regulation Director

## **Appendix 1 – Consultation Questions**

### **Transitional Requirements: Generic Licence Obligations and REC v1**

#### ***Q2.1: Do you support our proposal to introduce a high level duty upon licensees to cooperate, where appropriate, in delivering the outcome of a significant Ofgem-led programme, such as a SCR?***

1. We remain unconvinced that placing a licence obligation on licensed parties provides a “silver bullet” for the difficulties previously experienced and refer to paragraphs 2.3 and 2.4 of the consultation, particularly where delivery agents themselves are likely to be unlicensed.
2. We agree cooperation across all parties involved in delivering change is essential, however, we think it is inaccurate and wide of the mark to suggest that the difficulties experienced in the delivery of Project Nexus were due to a lack of cooperation between licensees. Our recollection is that the principal difficulties were with:
  - Xoserve, and their failure to provide specifications, data catalogues, processes and systems in a timely and open manner that market participants could rely on in developing their own systems.
  - The lack of independent project/programme management structure (with the appropriate vires) to co-ordinate and drive implementation of the project. It became very clear, late in the day, that the scope of Xoserve delivery was limited to managing the development of their own systems, rather than the implementation of a market solution. This in part was also a failure upon Ofgem.

We find it difficult to see how Ofgem reached the conclusion that having a duty-to-cooperate obligation in relevant licences would have resolved the issues experienced with Project Nexus.

3. Notwithstanding the above, we are not against a licence obligation to cooperate. In the coming years the energy industry is going to face significant levels of change as it transitions to a new energy landscape, and this will require cooperation between licensed and unlicensed entities. We think such licence obligation:
  - needs to be proportionate and recognise that such cooperation will be subject to and limited by, at least in part, the licensee having access to sufficient resources (and funding for sufficient resources) to support such “*significant code projects*”.
  - should be specific and relate only to the activities that the relevant licensee must undertake in fulfilling its licence obligations.

- should not result in a licensee having to bear an undue or unfair burden as the consequence of actions or failures of another licensed party, or unlicensed agent, over which the licensee has no control.

*Comments on proposed licence drafting*

4. We make the following comments in respect of the proposed drafting provided in Paragraph 2.6 of the consultation
  - i) As drafted in the consultation the obligation to give effect to the conclusions of the significant code project can be read as residing with the appointed person to cooperate. We suggest separating out the appointment by the Authority of a third party to give effect to the conclusions of the significant code project, from the specific obligation on the licensee to cooperate.
  - ii) Given that the proposed obligation to cooperate is wide in scope and therefore applies to a wide scope, and a wide range of classes of licensee, we believe it is appropriate that the condition should be a "*reasonable endeavours*" obligation (As drafted, sub paragraph (d) is not a "*reasonable endeavours*" obligation).
  - iii) We think that the obligation to cooperate with the Authority's appointed third party should be restricted to the extent that such cooperation is required for the purposes of delivering the relevant significant code project. We believe it would be inappropriate for the licence to mandate a licensee to cooperate for purposes other than those directly associated with giving "*full effect to the conclusions*" of a relevant significant code project"
  - iv) Part (a) makes specific reference to an SCR, whereas Ofgem's intent as we understand it, is to make the requirement broader than an SCR; hence the introduction of a new term "*significant code project*". Therefore, we suggest removing the reference to an SCR from this sub-paragraph.
  - v) Paragraphs (b) and (c) make specific reference to new central systems. Going forward we think that whilst new systems may be required, changes will be facilitated through augmenting existing systems and processes, and that data will need to be provided to licensee bespoke systems which will not fall under such description. Therefore, we suggest that the term new central system should be amended to refer to "*relevant industry systems*".
5. Co-operation is two way and it would be unfair to place an additional burden on the licensee because of the failings of an unlicensed third party. Whilst Ofgem's drafting (paragraph 2.8(e)(iii)) recognises the role that unlicensed agents may play; it is unclear how this would be administered in practice.
6. The current intent and licence drafting is too vague. We are concerned that the proposed licence condition is in relation to a "significant code project" and that this

would include any relevant programme. It is unclear what a relevant programme means.

7. Below we provide our provisional suggestions on the proposed drafting changes of the licence condition:

"Duty to Cooperate"

X1. This paragraph applies where the Authority; any person(s) appointed by the Authority, or appointed pursuant to a Direction of the Authority, undertakes any activities required in order to give full effect to the conclusions of a ["Significant Code Project"]

X2 Where this paragraph applies, the licensee shall use reasonable endeavours to cooperate with such persons described in [a] above for the purpose of giving full effect to the conclusions of the relevant ["Significant Code Project"], such cooperation to include but not limited to:

- a) Sharing such information as is reasonably required;
- b) Constructive industry engagement in developing plans for changes to IT systems and industry operational processes;
- c) Preparing and cleansing such data as may reasonably be requested in order to facilitate live operation of relevant industry systems;
- d) Providing such data in a form reasonably required to undertake testing and, where appropriate, to populate relevant industry systems;
- e) Providing test scripts and results of any testing as may be requested by any person appointed pursuant to [a] above to assure the success of any testing;
- f) Facilitating the delivery of the ["Significant Code Project"], to the extent that it is within the licensee's control, through:
  - i) Identifying any risks and dependencies that the licensee may have upon agents or other third-parties and securing the necessary support from such parties to mitigate such risks;
  - ii) Meeting key project milestones for the completion of any action(s) reasonably assigned to the licensee;
  - iii) Escalating promptly any disputes that if unresolved may jeopardise the fulfilment; and where appropriate, taking actions to resolve such disputes;
  - iv) Adhering to any remedial plan put in place to address any issues, delays or slippage that may impact the licensee's ability to meet

programme milestones, to the extent that failure to do so may jeopardise the successful and timely implementation of the programme;

*X3 Interpretation*

<p><b><u>Direction</u></b></p>	<p><u>means a direction issued following publication of Significant Code Project conclusions, which will contain:</u></p> <p><u>(a) instructions to the licensee to make (and not withdraw, without the Authority's prior consent) a modification proposal;</u></p> <p><u>(b) the timetable for the licensee to comply with the Authority's Direction(s); and</u></p> <p><u>(c) the Authority's reasons for its Direction(s).</u></p>
<p><b><u>Significant Code Project</u></b></p>	<p><u>means a Significant Code Review or such other review that the Authority may undertake pursuant to powers granted to it under relevant legislation</u></p>

8. We agree that, to the extent it is possible, the text of the licence drafting should be common across all licensees. We also note that, unlike licence obligations for some industry codes, the proposed licence drafting makes no distinction between 'large' and 'small' participants. As such the proposed obligation on cooperation would need to be applied equally if discrimination were to be avoided.
9. Any information that is obtained or provided to 3<sup>rd</sup> parties by the industry, should not be used for any means other than that which was agreed in the intimal provision of this data. Otherwise, this data could be used to give 3<sup>rd</sup> parties an undue advantage over other 3<sup>rd</sup> party providers, therefore being anti-competitive.

***Q2.2: Do you agree that the RECCo should be established earlier than REC v2 in order to assist with the successful delivery of the switching programme?***

In principle, we can see potential benefits from establishing the RECCo before v2, in that it may mitigate some of the risks in transitioning from v1 to effectively live v2. This could give the RECCo and REC Manager time to familiarise themselves with the new working practices and new platforms. It could also allow industry parties to become acquainted with the successful provider. We also support Ofgem's approach that the RECCo would be best placed to procure support; e.g. project management, project assurance.

However, such our support for the above is wholly predicated on people of the right calibre and appropriate competencies being appointed as members of RECCo, the REC manager and the members of the REC Panel. Given that the scope, remit and expectations of RECCo and Panel members in assisting with the successful delivery of the switching programme is significantly different to that of the standard, administrative role of Panel members in other codes, Ofgem should ensure that individuals filling these roles as NED members have the time, resource and expertise in programme delivery, alongside other commitments to their retrospective companies. This is a complex project and given the nature and the extent of moving parts within the programme, we have concerns that an early push for the creation of the RECCo, and later REC Manager and REC Panel, could potentially lead to the programme becoming distracted at an important stage, running off track and, potentially, having people without the correct skills and experience to manage such a situation.

A suitable strategy should be employed that works to see how this approach fits in with other streams of work e.g. the procurement of the CSS itself and the Design, Build and Test Phase and then weighed up against other options to see whether this strategy is feasible and effective, in terms of resource and time. An assessment is difficult to establish without having the Panel composition, funding of the REC and the RECCo and the overall voting methodology baselined.

Overall, we are of the opinion that the programme should not go live without the RECCo and REC Manager being in place prior to v2 implementation.

***Q2.3: Do you agree that the bodies constituted under the REC could suitably play a formal part in the programme governance?***

BUUK believe that the bodies constituted under the REC could play a formal part in the programme governance. Experience from Project Nexus tells us that these bodies are necessary to help ensure successful implementation and programme governance. At this stage though it remains unclear as to Network Operators' role within these bodies and how much or little input we are required to have in any of the new forums. Ofgem should consider this and how supplier focused these bodies should or should not be, or whether they would prefer a more rounded mix of individuals/parties. Nevertheless, there needs to be some form of recourse or appeals mechanism to decision making, especially if certain parties do not have voting rights.

***Q2.4: Do you agree that our definition of 'large supplier' in REC v1 is suitable for ensuring an adequate level of engagement with User Entry Process Testing?***

BUUK remain unclear as to the purpose and reason for only 'large suppliers' to enter into user entry process testing. Firstly, the definition of being more than 250,000, could potentially exclude many 'medium suppliers' or challengers who may have a combined number of RMPs more so than the 'large suppliers'. Secondly, the supply point counts will be taken from 15th

February 2015. In recent years there has been significant movement of customers away from 'large suppliers' to other smaller suppliers, meaning that potentially by Faster Switching Go Live (2020 or later) small or medium suppliers could then exceed the 250,000 RMP threshold.

BUUK believe that Ofgem should carry out a full assessment of this requirement, weighing up the programme risks associated with only requiring 'large suppliers' to conduct user entry process testing. Furthermore, Ofgem should consider what assurances they are going to be providing in terms of the 'smaller suppliers'. Collectively they have the ability to derail the project if these assurances are not provided. Regardless of which parties should be included, testing should be at a level that gives the necessary assurance to enable a high level of confidence that the switching programme arrangements will work across all suppliers for all consumers.

***Q2.5: Do you agree that it would be appropriate to have in place interim governance arrangements prior to REC v2 coming into effect?***

BUUK agree with Ofgem's proposed interim governance arrangements.

**Retail Energy Code: Governance**

***Q3.1: Do you agree with the proposed powers and functions of the RECCo Board, REC Panel and REC Manager, and how they would be distributed amongst them?***

BUUK acknowledge the four considerations with regards to the composition of the REC Panel: accountability, enfranchisement, expertise and size. In general, we support the proposed governance, as this is similar to those found in existing arrangements within both the BSC and SEC.

Due to the differing nature of the Code Managers responsibilities, compared to that of a Code Administrator or Secretariat, BUUK remain cautiously supportive of these increased powers. Whilst the benefits of an efficient modification process will take administration away from industry parties, the procurement of the Code Manager activity should ensure that the appointed Code Manager has the required skill set, resource and knowledge to be able to perform these roles on behalf of the industry. If the RECCo or Code Manager were to fail in



it's obligations, arrangements and delivery, there are currently no provisions or recourse for accountability. Currently the wording states that the RECCo board would be accountable to Ofgem, but there is no mention of accountability to parties who are mandated to use and fund their services. As a minimum it seems appropriate that parties should have recourse where the RECCo or Panel fails as either part or class of parties in delivery. It should be made clear what accountability and recompense would be in place.

***Q3.2: Do you agree with our proposal that independent Non-Executive Directors (NEDs), potentially from outside of the energy industry, should be present on the RECCo Board and that the composition of the RECCo Board should be subject to thorough review, both periodically and/or whenever the scope of the REC/RECCo Board responsibilities changes substantively?***

We see a benefit in appointing NEDs to the RECCo Board as this could bring knowledge and expertise from other industries and customer organisations, providing they have the relevant capabilities. We also agree that the RECCo Board composition should remain under periodic review.

***Q3.3: Do you agree with the proposed composition, powers and functions of the REC Panel?***

The approach that appears to be being tabled is not that dissimilar to what currently exists under the BSC and SEC. BUUK does have some concerns over this approach, specifically around the composition of the REC Panel. It is difficult to determine at this stage whether only two Network Operator votes between DNOs, GDNs and IGTs/IDNOs could disadvantage the management of larger, new network operations. There are some purposeful differences in the ways that IGTs in particular manage new network operations to benefit the customer. An overarching point is that Ofgem need to ensure that all relevant parties, or classes of party reviews are represented fairly.

Ofgem might also wish to consider whether sub-groups to the panel might be beneficial in terms of spreading the work load, especially considering the number of parties that will be involved within the REC. These sub-groups could have their own voting powers, as seen currently under the BSC.

***Q3.4: Do you agree that there should be entry and systems testing requirements placed on new entrants, comparable to those that we expect incumbent suppliers to undergo as part of the transition to the new switching arrangements?***

BUUK support this in principle, but we believe that Ofgem should remain mindful that testing should not become a burden or barrier to entry to the market. Potentially, system requirements, defects and issues management processes could change significantly post implementation and, therefore, similar levels of testing requirements may not be required for new entrants. The new entry process for any party should, though, include assurance that the party is able to manage CSS-related activity, in the same way as current switching-related activity.

### **REC Content**

**Q4.1: Do you agree with the proposed minimum content for REC v2 (as listed in Appendix 3)? Is there any other content we should consider for inclusion in REC v2? If yes, please provide further details.**

BUUK agree with the proposed minimum content for REC v2.

**Q4.2: Do you agree with our proposal that the REC Code Manager should collate Switching Domain Data and make it available to Market Participants? Or do you consider that the Data Master for each element of Switching Domain Data should make it available to Market Participants?**

BUUK agree that the REC Code Manager should collate Switching Domain Data and make it available to market participants. A central, single view of this data will be beneficial rather than several locations for Switching Domain Data. Due to the nature of this increased responsibility for the Code Manager as opposed to that of a Code Administrator, BUUK would expect the Code Manager to have the appropriate skill set and capabilities to manage and collate this data from various Data Masters. The complexities in dealing with both gas and electric data should be considered. The Data items and their Master's will need to be clearly outlined and contracts or obligations put in place to ensure that this data is used appropriately. Processes need to be put in place in situations whereby there are disputes over data quality and validity. Different parties will be in better situations to know what the correct data should be, the industry will need to know the role of the REC Manager in dealing with data quality issues.

**Q4.3: Paragraphs 4.20-4.24 suggest that the DCC should be subject to a data quality objective and performance standards around the quality of REL Addresses. Do you have suggestions on the quality measure areas and levels quality measures will take? Do you believe that the REC Panel should have a role in setting these targets (initially and/or on a periodic basis)?**

We agree that there should be a data quality objective placed on the DCC, if only to clarify what is expected of DCC regarding data quality. In order to deliver this, we believe that the DCC may require additional powers in respect of the REL data, but also detailed parameters set up to be able to monitor the DCC's performance. BUUK do question however whether the DCC are best placed to ensure accurate address data on newly connected sites. As such the relationship IGTs and IDNOs have with developers, we are at times, best placed to hold accurate addresses. Detailed parameters would have to be put in place and clearly outlined as to how the DCC would achieve these data quality objectives. We believe that the REC panel should have a role in setting targets and measures for the DCC. Below we list some suggestions on quality measures:

- Measure the number of and age of metered plot addresses.
- Where there are illegitimate duplicate addresses on the CSS database.
- Address data can be further measured (retrospectively) by the number of blocked or erroneous transfers related to the poor quality of addresses.

It is worth noting that work undertaken by industry parties and code managers in the lead up to CSS go live may also provide other forms of measurement or useful indications on quality.

***Q4.4: Paragraph 4.25 outlines that the REL Address data quality indicator is currently intended to be an internal measure for the CSS. Do you believe there is value in making this available to other market participants? If so, please provide your rationale for this and outline which market participants should have access.***

It is difficult for us to determine whether this is valuable for the industry until we know what this indicator is going to look like and how it is going to be determined. Unless there is proven value in this indicator and it can be trusted then it would not be relevant for it to be seen by industry. However, if the REL Address data quality indicator is proven to be a reliable metric then there would be value for it to be visible to other market participants.

Giving wider consideration to address data maintenance, BUUK would draw caution to the manually entering of address data (Section 7 of the Address Management Schedule). As the owners of address data, IGTs have experienced data quality issues and consequences as a result of manual address inputs, from both service providers and Shipper/Supplier alike. Manual entering and processing of address data increases the likelihood of errors and mistakes and therefore, a decline in data quality. This can cause subsequent network safety and operational concerns. Sufficient resource should be employed to process address updates and volumes of these updates should not be underestimated.

BUUK would also highlight the essential requirement that updated address data is relayed back to Network Operators. Again, the lack of accurate address data can cause network safety

and operational concerns. Whilst the DCC has agreed to this provision we believe that the process is yet to be defined. Other aspects of importance in receiving this data are:

- Helps to maintain alignment of accurate data between that held in the CSS and in our own internal systems.
- Helps to maintain accurate address data during site visits or outages, especially if Priority Service customers are living in premises. This potentially could cause safety issues to end consumers if addresses on internal systems are not accurate, making this a significant risk to our role and responsibility as a Network Operator and to end consumers, as defined under our licence(s).
- Helps us to directly deal with questions and queries from customers.
- Helps us to update addresses as advised by developers.

Further to this, BUUK see the benefit of the DCC clearly outlining and defining who the Data Masters will be for this address data and who has control in changing and amending this data.

Also outlining what controls and processes the DCC will have in place. Different parties, may at different times, be best placed to know what the correct address should be.

***Q4.5: Paragraph 4.25. suggests that the DCC should set out the methodology it will apply to meet the REL Address data performance standards on an annual basis. Do you agree that it would be beneficial to make this methodology publicly available?***

Whilst publishing the methodology will help to ensure that it is cost efficient and transparent for the industry, BUUK are more interested in seeing the results of the REL address performance. The performance management of this data will help to direct parties to drive improvements where required. It will also be important to see whether DCC have met their targets and if so, why targets are not being met.

***Q4.6: Do you support the creation of an Enquiry Services Schedule in REC v2? If so, which of the options around the requirements (in paragraph 4.32) do you prefer? Please provide details to explain your answer.***

Overall BUUK is supportive in the creation of the Enquiry Services Schedule, which covers both ECOES and DES access/audit items. We also agree that a stepped approach, in terms of adding content and requirements into the Enquiry Schedule, makes logical sense, as not all of the code and obligation would be suitable to be included within the Enquiry Schedule. It is however difficult at this stage to give our full support to a Schedule which has yet to be published or made available.

We note that the IGT UNC appears to have been omitted from the referenced codes. To ensure that an accurate picture of the code landscape is captured, the IGT UNC should also

be included, as IGTs have obligations regarding DES e.g. the provision of initial addresses. In terms of the options presented, BUUK would strongly oppose Option 1. We believe that it is not efficient to transfer all governance arrangements for the sake of a few DES data items, this option runs the risk of over complicating the code landscape in having non-retail obligations in a retail orientated code. Option 2 makes more logical sense. The REC should only include DES data items used for switching, all other items logically should be held in DES. Option 3 presents the best and more favoured approach for BUUK in that data access governance is kept in the UNC and IGT UNC and that the REC sets out a common set of standards and requirements. Going forward we believe this to be the best approach and, if necessary, post v2 and v3 the approach could look to be changed.

We note that little to no consideration seems to have been given to data items which are under BSC ownership but sit in the MRA. The majority of these data items are settlement related and under the new switching model will have no impact/relevance to switching arrangements. These data items would still need to flow into ECOES however. We would suggest that the impact of this is assessed with relevant parties and whether this would make a difference to the options presented.

An overarching point that BUUK would like to make is that Ofgem should make it explicitly clear who the data owners/masters for these items are and who has the rights to access this data. In doing so Ofgem will should remain mindful of GDPR implications.

***Q4.7: Do you agree with our proposal to create a REC Exceptions Schedule to be contained in REC v2, with the scope outlined in Figure 3? If not, please provide further details.***

The proposed Exception Schedule seems to be a sensible approach. There should be further detail added around which party will be responsible for managing issues and queries. Further to the list outlined in the consultation document, address issues could also be included within the remit of the Schedule. There should be significant support from all industry parties in order for issues to be resolved.

BUUK also support Ofgem's approach to draft from a customer perspective rather than pulling out existing arrangements from other codes. In doing so, this should lead to increased simplicity as there will be less duplication across industry codes and will also help to give appropriate considerations to the specific needs required by the REC and new market arrangements.

***Q4.8: Do you agree that the grey areas highlighted in Figure 3 should be out of scope of an Exceptions Schedule for REC v2? If not, please provide further details.***

At this current stage we agree that the areas highlighted grey should be out of scope of the Exceptions Schedule. However, these areas should not be totally discounted for future inclusion and at some point be subject to further review for inclusion.

***Q4.9: A list of suggested content for a set of REC Technical Documents can be found in section 4.44. Do you believe that any of the content listed is unnecessary or is there any content that you would expect to be included? If so, please provide details.***

BUUK agree with the current set of Technical Documents, but believe that where necessary or deemed appropriate further documents may also need to be added.

***Q4.10: Do you believe that table 1 captures all of the items that should become a REC subsidiary document? If not, please provide details of the additional items that should be included and why.***

At this current time BUUK believe that *table 1* captures all relevant REC subsidiary documents.

***Q4.11: Do you believe we have assigned the correct responsibility for producing each REC subsidiary document? If not, please provide further details.***

Yes, although BUUK could see value in those parties currently listed gaining input from relevant industry parties to ensure that any technical process details are indeed correct, and any issues ironed out before publishing. For instance, IGTs and IDNOs should not, in all instances be treated the same as GDNs and DNOs, due to differing processes and relationships with other industry parties.

## **The DCC Licence**

***Question 5.1: Do you agree with the role we have set out for DCC during the DBT phase and steady state operations? If not, why not?***

Whilst we agree that the DCC is best placed as a 'coordinator' of the DBT phase, the role specification still remains high level. Ofgem should be able to demonstrate that they have assessed the DCC's capability and resource of being able to take on this role and whether they have the correct skills set and knowledge base to be able to effectively manage a programme of this size. Ofgem may wish to consider therefore:

- Assurances that can be given to the industry regarding DCC's abilities and resources.
- The consequences of the DCC failing to provide effective management through the DBT.

***Question 5.2: Do you believe that our proposed drafting to amend LC 15 of DCC's licence would, if implemented, accurately reflect our expressed intentions? If not, why not?***

Although BUUK see no issue with the proposed modification to DCC's LC 15, we see this as placing extra responsibility upon DCC. What assessment has Ofgem conducted to ensure that DCC have the resource and capability to comply with these new conditions. There needs to be recourse in the form of implications and penalties on DCC if they do not comply with these conditions, especially in terms of programme delivery.

***Question 5.3: Do you agree with our proposal to add new CRS specific price control terms. Do you think any of these terms are unnecessary or are there other terms we should consider adding?***

BUUK agree that this is the best approach to take, as price control is the most transparent way to set out these costs. The way these funds are recovered needs to be set out clearly, defining how this money is recovered and from which parties. Recently we have seen significant unexpected increases in DCC charges and we would not want to see similar parallels for the CSS programme, particularly as this is a Supplier driven change. In addition, the industry should be in a position to assess this cost recovery to ensure that the CRS is value for money and continues to be so in the future.

***Question 5.4: Do you agree with the high-level programme outcomes we believe the programme should look to incentivise? Can you suggest further areas we should look to include and are there aspects you believe should be prioritised?***

At this stage BUUK do not suggest any other aspects we wish to be prioritised. However, we make the point that the high-level outcomes that Ofgem are wishing to incentivise need to be baselined and measurable. Without these being measurable, it will be impossible for Ofgem to realise these desired outcomes.

## **The SCR Process**

### **Q6.1: Do you agree with the changes that we propose to make to the scope of the Switching SCR?**

BUUK largely agree with the changes to the Switching SCR. One minor change would be to amend the reference of MPRS to MPAS. This is on the basis that MPRS is the commercial name for the product, whereas MPAS is the name of the service we have to provide under the MRA. The legal text should not restrict which company or product we are required to use, as technically we are free to procure our own MPAS provider.

**Q6.2: Are there any further changes that you consider we should make, either to bring something into scope, or to explicitly rule it out of scope?**

Not at this current stage.

**Q6.3: Do you agree with our proposed approach of publishing the drafting of all SCR related changes circa Q1 2019, but waiting until systems have been proven through testing before submitting the proposals into the modifications process?**

Yes, this seems like a sensible approach as this SCR related changes could be subject to amendment as a consequence of system testing.

## **Appendix 2**

### **General Points**

BUUK wish to raise several points that are separate to that covered in the consultation questions.

1. IGT initial registration.

Whilst Ofgem have not requested any specific review on the Registration Service Schedule, BUUK would like to highlight our view that the management of larger, new network operations, predominantly undertaken by IGTs, as outlined in the IGT UNC, will remain unchanged. We believe that this will not directly be referenced within the REC, but contained within Service Management documentation. IGTs still procure a large, growing proportion of new connections within the market and this process is not only vital for Developers but for end consumers, ensuring less Shipper-less sites and efficient network management. Subsequently, BUUK would like this to be clearly distinguished and defined in appropriate documentation.

2. Lack of clear distinction between the UNC and IGT UNC references.

In some cases, it may be appropriate to reference the UNC only as the obligation may not be relevant to the IGT UNC. However, Ofgem should be mindful that there are distinct differences between the codes and corresponding obligations and that simply referencing the UNC may not cover obligations in the IGT UNC.