

Sent by email

Rachel Clark
Switching Programme Director
Consumers & Markets
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

15th November 2018

Dear Rachel,

SWITCHING PROGRAMME: REGULATION & GOVERNANCE – WAY FORWARD

Thank you for the opportunity to respond to your consultation on ‘Regulation and Governance – the way forward’.

As members of the PAC (Performance Assurance Committee), a UNCC (Uniform Network Code Committee) sub-committee, we have a number of responsibilities. One of which is ‘where settlement performance deficiencies are identified, proposing (and, where within the PAC’s control, implementing) methods of resolution to improve settlement performance’.

Currently gas switching is initiated in UK LINK by shippers at the request of their suppliers. Additionally, suppliers obtain and provide meter readings and meter asset updates that enable UK LINK to derive the consumptions that are essential for settlement calculations. These details are provided to their shippers to update UK LINK.

As the PAC we review the performance of shippers and note that they are ultimately responsible for meeting obligations under the UNC. However, we are also aware that suppliers frequently either execute UNC requirements at customers’ premises or obtain data from customers for and on behalf of shippers for submission into UK LINK. Particular examples are the billable attributes that are obtained whilst on site during a meter exchange and subsequently provided, via shippers to UK LINK and meter reading requirements, which need to match the customer’s needs and also settlement requirements.

We have noted that with the development of a new supply switching system for both gas and electricity services, a fundamental process (gas switching) of primary interest to suppliers will be removed from UK LINK. We believe that the switching process will have acted as a motivating factor in the provision of information by suppliers (via their shippers) in to UK LINK and we believe that this incentive will be reduced. UK LINK will remain the home of gas settlements after the Switching Programme goes live and will continue to require accurate and timely updates of meter asset data and meter readings. We are concerned that the change in the switching process and the governance of it may pose a risk to gas settlement accuracy by weakening the

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8 Fenchurch Place, London, EC3M 4AJ

T: +44 (0) 207 090 1000

F: +44 (0) 207 090 1001

W: www.gemserv.com



requirements and incentives on suppliers to provide information and updates to UK LINK in a timely and accurate way.

We would like this risk to gas settlement accuracy through supplier performance to be recognised and mitigated through measures placed in the new governance arrangements. We would also welcome cross code collaboration between the gas PAC and the REC (Retail Energy Code) Performance Assurance Board (PAB) to work together on a complete and co-ordinated market performance assurance approach.

We hope you find our comments useful. If you have any queries or require clarification on any aspect, we would be very happy to expand and discuss the concern further. Please contact Anne Jackson by email at PAFA@gemserv.com in the first instance. Alternatively, we would be happy to cover this as an agenda item at a future PAC meeting.

Yours sincerely,

Anne Jackson

PAFA (Performance Assurance Framework Administrator)

for and on behalf of the gas Performance Assurance Committee (PAC)