

SUPPLIER OF LAST RESORT REVIEW GROUP 0503
Report to March Panel

The review group met on 1st March, where the following topics were discussed.

1. Details of Portfolio Transfer

Transco circulated a spreadsheet to the group identifying the gaps in relation to information required to facilitate a smooth and speedy portfolio transfer, following an appointment of a SoLR. The main gaps of information identified included Emergency Contact information, Special Conditions and Market Sector Code information. Transco outlined the issue regarding Market Sector Code population by the incoming Shipper and where this information would come from on Confirmation files.

2. Testing of Process

Ofgem advised that the original timescale of testing the end-to-end SoLR process had slipped in light of the recent events surrounding the Enron occurrence. It also declared that the scope had now changed from reviewing systems to testing the paper based process and that the scenario for the test was likely to be a Supplier in receivership. It was also commented that the review would also incorporate the Electricity arena.

3. Industry alternative in absence of SoLR

Transco clarified that if there was not an insolvency as such but a default by the Shipper, Ofgem would not revoke the licence but Transco could terminate. Transco raised the issue of Ofgem appointing a provisional liquidator in such a scenario, which Ofgem advised its legal team were investigating.

After extensive discussions to identify possible industry alternatives the group summarised that there were a number of different issues and gaps, which needed consolidating and mapping in order to understand and look at each individual scenario. Transco agreed to distribute a gap analysis document to the group at the next meeting, in order to identify and examine possible remedies.

The next meeting is scheduled for 11th April.