

## **OFGEM Update on Actions COB 0401 and COB 0603**

**COB 0401: CoS/DCC proposals - JD to seek and collate any questions/requests for clarity into a FAQs format and circulate.**

The only questions received by Ofgem (J Dixon) in response to this were:

- 1) How will the difference in market structure between Gas & Power be dealt with under the proposals, i.e. in the Gas market we have licensed Shippers and Suppliers and in the Power market there is only licensed Suppliers?
- 2) How will the new systems being implemented through Project Nexus interact with the proposed DCC service?

**Ofgem Update:** These points have been informed by discussion at COSEG, but will need to be further refined as we progress through the 'Blueprint' phase.

Shippers currently facilitate switching on behalf of Suppliers through interaction with Xoserve. Under the new proposals gas Suppliers will be responsible for switching through interactions with the CRS.

Shippers need to understand exposure to balancing and settlement and network charges and we proposed the following options in the TOM consulted on in February.

- Predefined combinations of Shipper and Supplier so that Shippers can manage exposure through contract
- CRS to inform nominated Shippers of any changes to sites within their portfolio (eg as a result of updates from the Supplier/GT).

Having reviewed responses to the TOM consultation we propose to make a further amendment to the TOM (updated version published later this year) to allow a Supplier to nominate an agent (e.g. a Shipper) to undertake registration activity on its behalf. This is thought to be particularly useful for Shippers that provide services for multiple Suppliers.

We recognise that further work is required to understand impact on other Shipper requirements and data flows (e.g. meter read submission). Our initial view is that, Shippers should continue to take a lead role on submission of meter consumption and that this should be sent directly to Xoserve rather than the CRS. This is because of the importance of this data for ongoing settlement as well as change of Supplier billing and in recognition of the substantial current work to update the gas arrangements through Project Nexus.

**COB 0603: Invite subject and general policy experts to the next meeting (JD).**

**Ofgem Update:**

**GSOS** – I am informed that the Statutory Instrument will be signed shortly, **confirming 01 January 2016 effective date**. It is recognised that some Suppliers would prefer to align this to the implementation of Project Nexus, but we have not considered it appropriate to further delay the introduction of these new

standards. We also understand that some Suppliers are already able to meet these requirements in existing circumstances, and that in others a short term work around may be possible pending possible integration into systems at a later date.

I have invited Bhavika Mithani to the 03 August meeting to discuss change to the **Priority Services Register(s)**. We will be looking for feedback on the proposed timing of these changes.

I would be happy for this to become a standing agenda item, and to invite relevant colleagues from Ofgem to attend future COB meetings as and when emerging proposals which may have a bearing on systems delivery are identified by COB members.