



Office of Gas and Electricity Markets  
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Relevant Gas Transporters, Shippers  
and other interested parties

Our Ref: Net/Cod/Mod/742  
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27 May 2005

Dear Colleague,

**Uniform Network Code modification proposal 015: 'To allow the use of an Old Supplier Estimated Read (OSER) as a Change of Supplier meter reading' (formerly Transco Network Code modification proposal 742).**

Ofgem<sup>1</sup> has considered the issues raised in UNC modification proposal 015, 'To allow the use of an old supplier estimated read as a Change of Supplier meter reading' and with regard to its principle objective and wider statutory duties, Ofgem has decided to direct the implementation of this modification, as we believe that it will better facilitate the achievement of the relevant objectives of the Uniform Network Code, as set out in standard special condition A11 of the GT licences. In this letter we explain the background to the modification proposal and outline the reasons for making our decision.

**Background to the proposal**

The Customer Transfer Programme (CTP)<sup>2</sup> was formed in order to address problems with the industry processes for transferring customers between suppliers, which can lead to a negative customer experience and/or unnecessary costs for market participants.

*Transition from Transco's Network Code to the UNC*

This modification proposal was originally raised in respect of the Transco Network Code, and followed the modification rules pertaining to that code. Following the implementation of modification proposal 745<sup>3</sup>, and in accordance with the Part IV, paragraph 2.1 of the UNC Transitional Rules, this modification proposal is deemed to be made in respect of the UNC in accordance with the modification rules.

At its meeting of 3 May 2005, the UNC Modification Panel agreed to the re-numbering of live modifications carried over into the UNC under the Transitional Rules, with modification

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<sup>1</sup> Ofgem is the Office of the Gas and Electricity Markets Authority. The terms 'Ofgem' and the 'Authority' are used interchangeably in this letter.

<sup>2</sup> See [www.energy-retail.org.uk/changingsuppliers.html](http://www.energy-retail.org.uk/changingsuppliers.html)

<sup>3</sup> See [www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11299\\_745\\_letter.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11299_745_letter.pdf)

proposal 742 being re-numbered as UNC modification proposal 015. The UNC also voted for this modification proposal to proceed without re-consultation.

Ofgem has therefore considered this modification proposal against the relevant objectives of the Uniform Network Code, as set out in standard special condition A11 of the GT licences.

### **The proposal**

This proposal seeks to introduce a notional reading for consideration as a Change of Supplier reading. This will be an estimate of the reading applicable for the day of Change of Supplier provided by the Old Supplier and therefore referred to as an Old Supplier Estimated Reading (OSER). This estimate will be sent from the old supplier to the incoming supplier, who may then submit this read to the GT as an Opening Meter Reading. It is also proposed that such readings will be considered a Valid Meter Read for code purposes, allowing the GT to process the OSER as a Change of Supplier Meter Reading.

### **Respondents' views**

Transco received six representations in response to its consultation on this modification proposal, five of which supported implementation, with the sixth offering qualified support. A common theme amongst respondents was that this proposal would increase the categories of meter readings that can be utilized within the transfer of customers between suppliers, which in turn will improve the efficiency and timeliness of that process.

The respondent who offered qualified support agreed that this modification would increase flexibility and improve the customer transfer experience, but was concerned that this modification addresses what is primarily a domestic issue, and should not impose significant operational costs upon Industrial and Commercial (I&C) suppliers.

### **Transco's view**

Transco supports this proposal and recommends its implementation as part of the end to end solutions developed by the CTP. Transco generally agreed with the views expressed by respondents in support of the modification. With respect to the systems impacts, Transco notes that this modification proposal will not require any further system changes other than those already developed for modification 689, as acknowledged by the respondent

### **Ofgem's view**

This modification seeks to implement one of the recommendations of the CTP and represents a means of improving the customer transfer process. Ofgem is supportive of changes that contribute to a more efficient customer transfer process. The use of an estimated meter reading provided by the old supplier as a valid transfer meter reading has the potential to reduce the use of the Agreed Reads process and improve customer billing. Ofgem notes that the proposed modification is not constrained to domestic meter points, but as the requirement is for the old and new supplier to agree the use of the read, the new supplier may use their discretion as to whether the reading is suitable.

### **Ofgem's decision**

For the reasons outlined above, Ofgem considers that implementation of this proposal would better facilitate the achievement of the relevant objectives of the Uniform Network Code, as outlined under standard special condition A11 of the GT licences. In particular this modification can be expected to improve the transfer experience of many customers, giving greater confidence in the process as a whole and thereby further facilitating competition between gas suppliers.

In accordance with standard special condition A11 of the GT licences, Ofgem hereby direct relevant Gas Transporters that the above proposal as contained in Modification Report Reference 742 (version 2.0) submitted to Ofgem 17 May 2005 be made as a modification to the Uniform Network Code.

If you have any further questions regarding this letter please do not hesitate to contact me on the above number or Nigel Nash on 020 7901 7065.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Philip Davies', with a long horizontal line extending to the right from the end of the signature.

**Philip Davies**  
**Director, Markets**