

## Representation

### Draft Modification Report

#### 0396: EU Third Package: Three week switching

**Consultation close out date:** 02 March 2012

**Respond to:** enquiries@gasgovernance.co.uk

**Organisation:** E.ON

**Representative:** Darren Lindsay

**Date of Representation:** 02 March 2012

#### Do you support or oppose implementation?

Support

#### Please summarise (in one paragraph) the key reason(s) for your support/opposition.

Modification 0396 provides a fixed consistent solution that achieves compliance in all worst case scenarios, in accordance with the Electricity and Gas (Internal Markets) Regulations 2011. Whilst this is the primary objective, Modification 0396 also facilitates the additional benefits, which in the Government's view was a case for the change.

*"...There are two sources of benefit from these measures to improve switching. Firstly, there is a direct benefit to consumers who are switched faster than they would have been otherwise..."*

*"...The second source of benefits which may arise from a quicker switching process are the more intangible benefits associated with improved competition..."*

*"...Although the impact assessment focuses on the benefits to domestic consumers, we would expect the same benefits to apply to non-domestic consumers as well..."*

#### Are there any new or additional issues that you believe should be recorded in the Modification Report?

One area of concern that has been raised is the ability to appoint agents and obtain an opening meter read within the proposed revised timeline. Whilst the confirmation period is reduced by two business days the Ten business day opening read window remains. The countdown to Supply Start Date and the opening of the read window would happen simultaneously, with the read window still ending at Supply Start Date+ five business days, therefore we do not see this as an issue.

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23 January 2012

Version 1.0

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## Relevant Objectives:

*How would implementation of this modification impact the relevant objectives?*

Implementation of Modification 0396 would facilitate compliance with the revised license condition by completing transfers within 21 days meeting UNC Relevant Objective G

The Workgroup considered this Proposal facilitates UNC Relevant Objective (d)(ii) for the reasons outlines in the workgroup report.

## Impacts and Costs:

*What analysis, development and ongoing costs would you face if this modification were implemented?*

None

## Implementation:

*What lead-time would you wish to see prior to this modification being implemented, and why?*

At the earliest opportunity given the new license conditions are now in place

## Legal Text:

*Are you satisfied that the legal text and the proposed ACS (see [www.gasgovernance.co.uk/proposedACS](http://www.gasgovernance.co.uk/proposedACS)) will deliver the intent of the modification?*

Yes

## Is there anything further you wish to be taken into account?

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*

The revised timeline proposed in Modification 0396 is consistent with typical transfer timelines in electricity. This provides an opportunity for efficient aligned dual fuel switching.

The modification will deliver an enduring fixed solution as opposed to a flexible approach triggered infrequently. We believe that this will remove the need for interventions by shippers/suppliers to their processes throughout the year and therefore reduce the risk of increased erroneous transfers.