

Representation

Draft Modification Report

0403: EU Third Package: 21 day switching with flexible objection period

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?

Qualified Support

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

The modification ensures Supply Point registration processes are consistent with the Gas Directive and The Electricity and Gas (Internal Markets) Regulations 2011.

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

We have a concern about compliance 100% of the time. If during the worst case Bank holiday scenario, Xoserve used the full two days to respond to files (in line with agreed service levels), in order to achieve compliance there would be no period during which the losing supplier could submit an objection if they had valid grounds to.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Allows Shippers and Suppliers to meet their respective licence conditions and comply with the requirements of the EU Third Energy Package.

This might only be achievable in the very worst case scenario by having no objection period.

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23 January 2012

Version 1.0

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Impacts and Costs:

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

The flexible nature of this modification and the changeable nature of Bank-holidays dates would require a change of approach to;

- Internal applications to recognise how many days are in the objection window
- Timings of internal batch processes to ensure any objection window can be used fully
- Staff scheduling. Switches initiated later could have a smaller Objection window than earlier ones, changing the workflow priority.

Implementation:

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

As soon as practical as the new license conditions are in place.

Legal Text:

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

The same concern highlighted earlier. That a combination of the worst case scenarios (the maximum bank-holiday situation combined with Xoserve requiring the full two days) might result in no time for an Objection window.

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 DECC Impact Assessment No.DECC0003 contains the following extracts that describe government's view of the benefits, which summarises the case for 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..."

Bank-holidays aside, implementation of this mod would see no real reduction in the time it takes to switch supply in comparison with what is already achieved.