

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: SSE

Representative: Anne Jackson

Date of Representation: 2 March 2012

Do you support or oppose implementation?

Support

For reference: Not in Support of Modification 0396

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

This modification will enable suppliers to meet their licence obligations to switch customers within 21 calendar days 100% of the time, with a quicker implementation time for xoserve and at less cost (both for xoserve and ourselves) than the other modification (Modification 0396) seeking to achieve the same outcome. Additionally the modification helps ensure that the customer experience is unaltered by the reduced timescales. Retaining the seven day window prior to supply transfer will enable the current levels of opening meter readings obtained to be maintained, therefore reducing the number of estimated readings used at change of supplier and ensures that erroneous transfers are minimised by only reducing the objection window where bank holidays and non working days occur.

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

Xoserve's costing and timescales should be added to the report, which we believe were £500,000 for reducing the objection window only, with implementation within a year, i.e. quicker than modification 0396.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

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Version 1.0

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g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

The modification impacts the relevant objective above by allowing shippers and suppliers to meet the Licence Conditions placed on them as a result of the EU Third Energy Package

Impacts and Costs:

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

This modification enables SSE to alter fewer systems and processes than would be required to implement modification 0396, therefore leaving all other processes in place. This reduces both risk and costs, particularly as systems are heavily interlinked.

It is acknowledged that the nomination process is not included but recognised that nominations can be obtained during the cooling off period, where applicable, or during the pricing and negotiation period prior to contract signature.

Implementation:

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

We would wish to see implementation between nine and twelve months from the date of implementation, which we believe fits with xoserve's assessment of when their changes can be delivered.

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?

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.

At times when there are four bank holidays (Christmas and New Year) there is a possibility that the objection window can drop to one day. However the one day is predictable and suppliers are able to plan for the possibility and manage the possible work load through staff and systems on those infrequent occasions. Business days are when xoserve will be processing files, but suppliers can work on any calendar day in the period, the same as customers can sign up on any day of the year. We believe that the risks of reducing the objection window can be managed as it is only business days that are reduced and not elapse time. A further way to reduce the risk around the Christmas and New Year period would be to declare the second new year bank holiday a working day. This day is already a working day for the electricity industry.