

20 November 2010

UNC Modification 0296

The following is a response to the above modification on behalf of the Members of the Major Energy Users Council.

The broad views of consumer representatives at the Gas Customer Forum held on the 25/10/10 are shown in minute 2.1.1 of that meeting.

They show that consumers are not opposed to authorising shippers/suppliers to access their information but believe that the proposals contained in mod 0296 do not provide sufficient safeguards to prevent "fishing expeditions" and that a more positive method of customer approval be introduced to ensure that the consumer is totally in control of their data and that they are also aware of any shipper/supplier that attempts to access their data.

With regard to the wording in the modification proposal I have doubts about the interpretation placed on "contemplating".

The modification says: *-Contemplating in this context should follow a legal definition, which in this context means that the Supply Point Enquiry is "triggered where there is a change of activities which compels a Party to consider carefully and at length a course of action"*. In relation to the UNC, we believe that this should be interpreted that the Shipper must have had dialogue (spoken, written or otherwise) with the customer and have used that dialogue to gain their permission to access the data.

Another interpretation to contemplating could be that "a change of activity" for a supplier could be the loss of significant volume from their portfolio "which compels a Party to consider carefully and at length a course of action", that action could be high pressure salesmanship or fishing expeditions as we have seen both in the domestic and micro business end of the market.

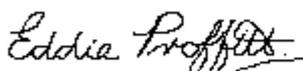
Moving on to consumer protection. I believe that the proposal, which effectively says that the shipper promises to follow the rules and always obtain permission (spoken, written or otherwise) before requesting data, is very weak. There are no checks in the proposal that this permission has been given and it will rely on a consumer being aware of such activity taking place without their permission and raising a formal complaint about a shipper's breach of licence.

I believe that an industry as big as the UK gas industry should be capable of producing a system that ensures that the consumer controls the allocation of the data. After all, the mobile phone industry has such a system using a unique code for transfer of service from one service provider to another. In fact some years ago Xoserve when attempting to "clean up" the data on their system used such a system. Such a unique number could be issued to the consumer perhaps directly or through their existing shipper/supplier.

Therefore in summary the Major Energy Users Council are in favour of a system to allow shippers to access multiple site data when they have authorized a shipper to do so, providing that this authorization is controlled by a system that uses technology and not rely on the shipper's word.

Finally, should this modification proposal obtain panel approval, we call on Ofgem to exercise their prime objective of protecting consumers' interests by directing that this modification should NOT be implemented.

Yours truly,



Eddie Proffitt  
Gas Group Chairman