

| Workgroup Report | | At what stage is this document in the process? |
|--|---|---|
| <h1>0593:</h1> <h2>Provision of access to Domestic Consumer data for Price Comparison Websites and Third Party Intermediaries</h2> | | <div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid green; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;">01 Modification</div> <div style="background-color: #0070C0; color: white; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;">02 Workgroup Report</div> <div style="border: 1px solid purple; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;">03 Draft Modification Report</div> <div style="border: 1px solid orange; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;">04 Final Modification Report</div> </div> |
| <p>Purpose of Modification:</p> <p>This is an enabling modification, which seeks to create the necessary permissions in UNC to permit the release of domestic consumer data to Price Comparison Websites (PCWs) and Third Party Intermediaries (TPIs) to satisfy the CMA Energy Market requirements. The release of data is subject to validations undertaken by the Transporter and would be pursuant to data protection principles.</p> | | |
|  | <p>The Workgroup recommends that this modification should:</p> <ul style="list-style-type: none"> not be subject to self-governance procedures proceed to Consultation <p>The Panel will consider this Workgroup Report on 20 October 2016. The Panel will consider the recommendations and determine the appropriate next steps.</p> | |
|  | <p>High Impact: None</p> | |
|  | <p>Medium Impact: None</p> | |
|  | <p>Low Impact: Transporters' Agent</p> | |

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| Timetable | |  0121 288 2107 |
| Modification timetable: | | Proposer: Shanna Key |
| Initial consideration by Workgroup | 25 August 2016 |  skey@northerngas.co.uk |
| Amended modification considered by Workgroup | 22 September 2016 |  0113 397 5326 |
| Workgroup Report presented to Panel | 20 October 2016 | Other: Tahera Choudhury |
| Draft Modification Report issued for consultation | 20 October 2016 |  Tahera.Choudhury@xoserve.com |
| Consultation Close-out for representations | 10 November 2016 |  0121 623 2103 |
| Final Modification Report available for Panel | 11 November 2016 | |
| Modification Panel Recommendation | 17 November 2016 | |

1 Summary

What

This is an enabling modification seeking to grant permission to release domestic consumer data to Price Comparison Websites (PCWs) /Third Party Intermediaries (TPIs).

Why

The Competition and Market Authority (CMA) Energy Markets Investigation proposed a requirement for Transporters to provide PCWs/TPIs access to data for the purpose of allowing them to check or obtain MPRNs for consumers seeking to switch supplier, and to check other information provided by these consumers against the data held by the Transporter. The release of this data is strictly limited for these purposes only.

How

In order to allow PCWs/TPIs to be permitted access to domestic consumer data, the necessary permission and any restrictions or requirements on PCWs/TPIs needs to be created within the Uniform Network Code (UNC).

2 Governance

Justification for Urgency, Authority Direction or Self-Governance

This modification does not qualify for self-governance. Although it is simply allowing the release of data (subject to pre-defined conditions) to PCWs/TPIs, a subsequent increase in consumers seeking to switch supplier could have a material impact on parties to the UNC, consumers and competition.

Requested Next Steps

This modification should:

- proceed to Consultation

The Workgroup considers the modification is not suitable for Self-Governance (see above). The modification is sufficiently developed that it could be implemented and therefore it should proceed to consultation

3 Why Change?

The CMA issued its Energy Market investigation final report in June 2016 (the Report). The Report sets out reasoning for erroneous transfers and failed switches, and concludes that there is a requirement for PCWs/TPIs to be granted access to data pertinent to the switching process. This will allow them to check or obtain MPRNs for consumers seeking to switch supplier and to check other information provided by these consumers. This should help to reduce the number of erroneous transfers and failed switches. Use of the data by PCWs/TPIs is strictly limited to these purposes only.

The CMA intends to place an 'order' on Gas Transporters to grant data access to PCWs/TPIs upon request, subject to reasonable access conditions, to assist consumers seeking to switch. Data

requirements have been specified by PCWs/TPIs through engagement via the Third Party Access Workgroup (TPAG) regarding the data items required for this process. These are as follows: Meter Point Reference Number (MPRN), address including postcode, Meter Serial Number (MSN), Local Distribution Zone (LDZ) ID, meter mechanism code, meter capacity, current Supplier ID, Gas Transporter (GT) ID, Smart Meter Equipment Technical (SMETs) code and Annual Quantity (AQ).

This modification would, with sufficient controls in place, grant permissions to the above data, for PCWs/TPIs.

The requirement to provide suitable data will be set out within the CMA order and is supported by Ofgem. Gas Transporters are actively supporting these requirements, removing the need for a licence obligation.

This modification should be considered as 'enabling' since the change would mainly be of benefit to PCWs/TPIs and Suppliers, which are not Code parties and therefore, of indirect benefit to UNC parties.

4 Code Specific Matters

Reference Documents

Please find the link for: CMA Energy Market Investigation – Final report here;

<https://assets.publishing.service.gov.uk/media/5773de34e5274a0da3000113/final-report-energy-market-investigation.pdf>

Some of the relevant paragraphs are as below:

13.324 We agree with suppliers that the terms on which PCWs are provided with access to the ECOES and SCOGES databases should allow for them to check or obtain MPAN and MPRN numbers for customers seeking to switch supplier and to check other information provided by these customers against that held in the database and should be strictly limited to these purposes. We would expect that the conditions for accessing the ECOES and SCOGES databases to include conditions that strictly limit the use of data for these purposes.

13.325 We also agree that the number of erroneous and failed transfers avoided might be small. However, we consider that a small number of erroneous and failed transfers could be expected to have a wide impact on customer perceptions (see paragraph 13.352) and disproportionate impact on domestic customers' confidence in the use of PCWs and perception about the ease of switching more generally.

13.330 Ofgem said it strongly agreed with implementing the remedy through an order and suggested that to improve the prospect of timely implementation the CMA should specify a timescale in the order. Ofgem also said the scope of the data that PCWs should be able to access should be clarified to assist speedy implementation.

13.343 The aim of this remedy is to reduce actual and perceived barriers to switching resulting from erroneous transfers and failed switches, and we consider, based on responses to our provisional decision on remedies 265, that access to the ECOES and SCOGES databases will also benefit other TPIs providing similar services to PCWs.

13.344 In light of the above, this remedy will require (through a CMA order) the code administrator or governing body with authority to grant access to the ECOES database to grant access to the database to PCWs (and other TPIs providing similar services). This remedy will also require (through a CMA order) gas transporters to grant access to the SCOGES database to PCWs (and other TPIs providing similar services) on reasonable terms. We understand that amendments to the relevant industry codes may be

required. Therefore, this remedy will also require gas transporters to make any necessary amendments to the Uniform Network Code.

13.345 This remedy will enable PCWs (and other TPIs providing similar services) to check or obtain MPAN and MPRN numbers for customers seeking to switch supplier and to check other information provided by these customers against that held on the databases. Use of the data by PCWs (and other TPIs providing similar services) should be strictly limited to these purposes. Any charge for access to the data should be based on the incremental cost to the database administrators of providing this access

Knowledge/Skills

No specific knowledge or skills required to consider this modification.

5 Solution

This enabling modification is proposing to grant the relevant permissions to allow PCWs/TPIs access to domestic consumer data through amending UNC section V to include a requirement on the PCWs/TPIs to enter into a confidentiality agreement, and commercial arrangements, with the Transporters on terms no less onerous than those of TPD Section V5, but including clauses detailing the data and permitted purpose, and clauses to include enforcement of the confidentiality agreement.

The data to be included is: MPRN, address including postcode, MSN, LDZ ID meter mechanism code, meter capacity, current Supplier ID, GT ID, SMETS code and AQ, to a requesting PCWs/TPIs. The data is to be obtained specifically for the purpose of enabling a change of supplier event in response to a specific request from a consumer.

The confidentiality agreement and commercial arrangements are not to be included in the UNC solution; however, in order to provide confidence that the arrangements protect the providers of the data the following elements will be included. To ensure compliance of the data in accordance with the Data Protection Act, PCWs/TPIs will be subject to, but not limited, to the following principles which will be solidified in a forthcoming service build:

- Legitimate justification will be required by PCWs/TPIs for accessing this information. This will be subject to confidentiality agreements between PCWs/TPIs and the Gas Transporters, and a contract with the Transporters' Agency for the provision of the service.
- PCWs/TPIs access to data will be subject to organisational validations and conditions, as set out in legal contracts between PCWs/TPIs and the Gas Transporters. The relevant section of the UNC will be amended to include the definition of PCWs/TPIs.
 - PCWs/TPIs are recommended to be part of the Ofgem Confidence Code for faster processing of organisational validations.
- The data provided is confidential information and is therefore only permitted to be accessed by PCWs/TPIs (subject to organisational validations) where consent has been obtained from the relevant consumer, through a clear statement of consent on the PCWs/TPIs website, which will be required to be actively triggered by a consumer.
- Consumer consent and data accessed by PCWs/TPIs will be held by PCWs/TPIs for no longer than 3 months.
- The Transporter has the right to audit PCWs/TPIs, without notice, to ensure data is being used solely, with consumer consent, for the purposes of facilitating change of supplier activity.

- The Transporter has the right to request PCWs/TPIs to produce evidence of the following information, but are not limited to only this information: consumer consent, data obtained, time periods data was obtained for, switching evidence (if switch took place), and data retention policies.
- Where any suspected misuse comes to the attention of the Transporters, including via a third party or an audit or security investigation, then the Transporter has the right (after appropriate investigation) to cancel provisions of access to data to the PCW/TPI.
- If any of the evidence requested by the Transporter, as specified within the UNC and legal contracts, is not provided within a reasonable timeframe, then the Transporter has the right to immediately cancel provisions of access to data to the PCW/TPI.

In order to provide the industry with transparency of the use of this data, an annual report will be provided detailing the PCW/TPI market participants who are permitted to access this data.

This modification, once implemented, will grant the necessary permissions for the creation of a commercial service which will provide access to domestic consumer data only for the sole purpose of aiding in faster supplier switching.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This requirement may be transitional until the SCR is implemented where PCWs/TPIs may be able to access the data from the new Central Registration Service (CRS).

Consumer Impacts

When investigating the possibility of changing Shipper or Supplier, consumers very often utilise the services of PCWs/TPIs. In order to offer the most efficient service, and to facilitate a more effective switch, the PCWs/TPIs would benefit from access to data held by the Transporters.

PCWs/TPIs are an important means by which consumer engagement can improve, and effective competition can develop in the domestic retail markets. Domestic consumers will be better engaged to fully understand and choose between the range of options available to them through PCWs/TPIs services offered both online and by telephone.

Note: In the main, TPIs are not currently representing domestic customers but this is anticipated to change in the future.

Cross Code Impacts

The requirements as set out by the Report, also apply to electricity. Therefore, code administrative changes will also be made to the Master Registration Agreement (MRA).

EU Code Impacts

None.

Central Systems Impacts

None. Service provision will need to be provided – post NEXUS.

Workgroup Impact Assessment

Some workgroup participants noted that while this modification is enabling, it allows the release of data through bi-lateral arrangements outside of Code governance and scrutiny and with no oversight by UNC parties. The information provided through such a service would be to parties that meet a definition of a party (PCW/TPI) that can request such information and they may or may not be registered or licenced. This creates a risk that once the information is released there will be few controls on its use and this could lead to damaging consequences for UNC parties.

Overall it was recognised that PCWs/TPIs could play an important role in engaging with domestic consumers to improve competition in the domestic retail market. Some participants wished to see the proposal extended to cover the I&C sector in order for benefits to be maximised.

User Pays (*Workgroup assessment of proposer initial view or subsequent information*)

| User Pays | |
|--|---|
| Classification of the modification as User Pays, or not, and the justification for such classification. | No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification. |
| Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view. | N/A |
| Proposed charge(s) for application of User Pays charges to Shippers. | N/A |
| Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve. | N/A |

7 Relevant Objectives

| Impact of the modification on the Relevant Objectives: | |
|--|-------------------|
| Relevant Objective | Identified impact |
| a) Efficient and economic operation of the pipe-line system. | None |
| b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters. | None |

| | |
|--|---|
| c) Efficient discharge of the licensee's obligations. | None |
| d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers. | Positive impact on competition between Gas Suppliers. |
| e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers. | None |
| f) Promotion of efficiency in the implementation and administration of the Code. | None |
| 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. | None |

Making switching suppliers easier for domestic consumers is likely to increase the number of consumers who engage in the competitive market. Ensuring that core data items can be validated at an early stage will increase confidence that switching will be successful. Providing access to the parties that are involved in the earliest stages of switching will improve the services that they provide. Increased confidence and activity in the energy markets will make it a more competitive environment for suppliers.

8 Implementation

No implementation timescales are proposed and Transporters would notify a suitable implementation date should the modification be approved.

9 Legal Text

Legal Text has been provided by Northern Gas Networks and is included below. Legal Text was not available for the Workgroup to consider, however a drafting document was provided and the Workgroup were content the principles set out in the drafting document would satisfy the intent of the Solution.

Text Commentary

The legal text introduces a new permission for the release of protected data. Paragraph 5.18 describes the person to whom the data can be released (PCWs and TPIs as defined in UNC GTC1), the circumstances of the release (they have permission from the domestic consumer and have entered into appropriate terms) and the data items are set out in Annex V-13.

V8.18.1 also obligates the Transporters to publish an annual list of persons who have entered into agreements for this data.

The definitions in UNC GTC1 are consistent with those in the Competition and Markets Authority draft Order on the Transporters to create these permissions and a corresponding service. Should the final

CMA Order amend the definitions the UNC text provided will need to change to align to ensure that the Transporters are able to discharge their obligations under a new CMA Order.

Text

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION V – GENERAL

Add new paragraph 5.19, as follows:

5.18 Provision of domestic premise data to Price Comparison Websites and Third Party Intermediaries

- 5.18.1 The Transporters are authorised to disclose such data as is set out within Annex V-13 to a Price Comparison Website or Third Party Intermediary where they have received consent from the domestic consumer and where they have entered into a confidentiality agreement (on terms no less onerous than those in paragraph 5) and reasonable access conditions.
- 5.18.2 The Transporters shall, by 31 March each year, publish a report detailing the market participants subject to 5.18.1.

Add new Annex V-13, as follows:

Annex V-13

Table of Supply Meter and Supply Meter Point data fields available (subject to conditions) to PCWs and TPIs upon request

| Data Field Name |
|--------------------------------|
| meter point reference number |
| supply point address |
| meter serial number |
| LDZ identifier |
| meter mechanism code |
| meter capacity |
| supplier identification |
| gas transporter identification |
| SMETS code |
| Annual Quantity |

Add to GTC1 new defined terms:

“Price Comparison Website” (PCW) shall mean an internet-based price comparison service or other internet based TPI (and the owner, operator or host of such a website, service or TPI) that provides comparisons between, and/or access to, personalised quotes for retail energy to domestic customers, and carried out, on behalf of the domestic customer an instruction to change the domestic customer’s retail energy supplier, tariff or both.

“Third Party Intermediary” (TPI) shall mean an organisation or individual acting as a third party intermediary between a domestic customer and a retail energy supplier.

10 Recommendations

Workgroup’s Recommendation to Panel

The Workgroup asks Panel to agree that:

- This modification should proceed to consultation.