

Representation - Draft Modification Report 0532

Implementation of Non Effective Days (Project Nexus transitional modification)

Responses invited by: **15 January 2016**

To: enquiries@gasgovernance.co.uk

Representative:	Mark Jones
Organisation:	SSE Supply
Date of Representation:	15 January 2016
Support or oppose implementation?	Support
Relevant Objective:	d) Negative f) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

SSE accepts the justification of the Transporter Agency requirement for 7 non-effective days and recognises that the long-term benefits outweigh the short-term negative impact on switching performance. Nonetheless, this modification increases the risk of regulatory non-compliance for Shippers and Suppliers on switching matters.

We are supporting this modification on the basis that the Authority provided a level of assurance in the decision letter on iGT072 that the relevant regulatory requirements will be relaxed and not be enforced for the period before and after the 6 non-effective days proposed in that modification. In the event the Authority approves this modification we seek a similar assurance that switching regulations, most notably Gas Supply SLC14, are temporarily lifted for the purposes of implementing Modification UNC0532 for 7 non-effective days.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

To align with the Project Nexus Implementation Date.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

The development costs for this modification are integrated into our internal Project Nexus delivery and so cannot easily be provided in isolation. As this modification is proposed to be removed from code on Project Nexus Implementation Date, there will not be any ongoing costs.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No.

Please provide below any additional analysis or information to support your representation

As a Supplier this modification introduces several conflicts with existing requirements regarding the customers' switching process, including but not limited to,

- (1) Suppliers to transfer customers within 21 days (SLC 14)
- (2) Ability for consumers to 'opt-out' of a request to transfer their Supplier within 14 days of making the initial request, i.e. 'cooling-off period' (Consumer Rights Directive) (2011/83/EU).
- (3) Obligation for Suppliers to prevent ETs (SLC 14)
- (4) 'Faster Switching' in 17 days (14 'cooling off' + 3)

Where the proposed 7 non-effective days coincide with the period a Supplier is transferring a consumer, it is anticipated that the switch may take longer or be less accurate. Under 'Faster Switching' arrangements Suppliers process the exchange of registration files in parallel with the 'cooling-off period'. If the consumer exercises their 'cooling-off rights' then the Supplier must have the time to complete this action, however, this modification will give rise to the opportunity of Suppliers being unable to process the cancellation. The outcome may, therefore, lead to the switch commencing (contrary to the consumer request), with the only available resolution being either a new full registration with their original Supplier, or for an ET to be raised.

SSE accepts the Transporter Agent statement to industry that the introduction of 7 non-effective days is the only viable solution for implementing the new UK Link systems as part of Project Nexus. Equally, as a Supplier we are committed to providing the best level of service for our customers, in a cost efficient and regulatory compliant manner.