

Representation

Draft Modification Report

0396: EU Third Package: Three week switching

Consultation close out date: 02 March 2012
Respond to: enquiries@gasgovernance.co.uk
Organisation: ScottishPower Energy Management Ltd
Representative: Lorna Gibb
Date of Representation: 01 March 2012

Do you support or oppose implementation?

Qualified Support

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

We feel that the blanket change to the objection window is an extreme change to resolve the issue of approx 10 days a year. However we recognise that the SLC has to be complied with.

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

We would have preferred a more pragmatic approach to the implementation of this part of the EU Third Package. The detrimental impact the changes to the objection window could have on customers, both on individual transfers and on the cost to serve, mean these changes will not improve the transfer overall transfer process. We feel the risk to increased erroneous transfers due to a shorter objection window will directly impact customers, especially as customer requested objections are usually raised towards the end of the current window. As the CRO is normally triggered by a "sorry to lose you" type of communication 3 working days could easily have passed before the customer reacts to it.

To give an idea of volume as a losing supplier we raise several hundred objections at the customer's request a month. If these cannot be raised the customer has two options – stay with a supplier they do not want to be with or go through the sometimes lengthy erroneous transfer process. Further details on customer requested objections can be provided if required.

As a gaining supplier there is still the option of a confirmation cancellation but this window is also being reduced.

Also, we would have appreciated the opportunity to comment on the User Pays aspect of the change but could not as details were not provided in the consultation. We would like to state however that we do not support the inclusion of this Modification within the User Pays agreement.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Impacts and Costs:

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

We do not have detailed costs but high level assessment suggests costs of a minimum of £500k (UNC & iUNC).

Implementation:

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

While we appreciate this change is a licence requirement, due to the complexities it would introduce to the objection process we would request a minimum of 9months lead in from Authority approval.

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?

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.