

Sent by email

Rachel Clark
Switching Programme Director
Consumers & Markets
Ofgem
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14th November 2018

Dear Rachel,

SWITCHING PROGRAMME: REGULATION & GOVERNANCE – WAY FORWARD

Thank you for the opportunity to respond to your consultation on ‘Regulation and Governance – the way forward’.

As members of the PAC (Performance Assurance Committee), a UNCC (Uniform Network Code Committee) sub-committee, we have a number of responsibilities. One of which is that ‘where settlement performance deficiencies are identified, proposing (and, where within the PAC’s control, implementing) methods of resolution to improve settlement performance’.

Currently gas switching is initiated in UKLINK by suppliers, via their shipper, and suppliers, via their shipper, obtain and provide meter readings and meter asset updates that enable UKLINK to derive the consumptions that are essential for settlement calculations.

We have noted that with the development of a new supply switching system for both gas and electricity services, we will see the gas supplier becoming more distant from the UKLINK system, which will remain the home of gas settlements after the Switching Programme goes live. We are concerned that this may pose a risk to gas settlement accuracy by weakening the requirements and incentives on suppliers to provide information and updates in a timely and accurate way, not just for direct customer benefits but for settlement purposes as well.

As the PAC we review the performance of shippers and note that they are ultimately responsible for meeting obligations under the UNC. However, we are also aware that suppliers frequently either execute UNC requirements at customers’ premises or obtain data from customers for and on behalf of shippers for submission into UKLINK. Particular examples are the billable attributes that are obtained whilst on site during a meter exchange and subsequently provided, via shippers to UKLINK and meter reading requirements, which need to match the customer’s needs and also settlement requirements.

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We would like this risk to gas settlement accuracy through supplier performance to be recognised and mitigated through measures placed into the Retail Energy Code (REC) governance. Ultimately these measures would need to be assured through the REC Performance Assurance Board (PAB) and we would want the PAC and PAB to work together to this end.

We hope you find our comments useful. If you have any queries or require clarification on any aspect, we would be very happy to expand and discuss the concern further. Please contact Anne Jackson by email at PAFA@gemserv.com in the first instance alternatively we would be happy to cover this as an agenda item at a future PAC meeting.

Yours sincerely,

Anne Jackson

PAFA (Performance Assurance Framework Administrator)

for and on behalf of the gas Performance Assurance Committee (PAC)