

Representation

Draft Modification Report

0477 - Supply Point Registration - Facilitation of Faster Switching

Consultation close out date: 10 April 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: SSE Supply
Representative: Kristian Pilling
Date of Representation: 10 April 2014

Do you support or oppose implementation?

Support

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

SSE is supportive of improving the switching process for consumers. A shorter switching period will bring forward the benefits a consumer will realise when joining a cheaper supplier. This modification may also act to improve consumer engagement due to a perception that switching has become easier, and as a consequence improve supply market competition.

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

Consumers who were going to switch will be able to do so approximately 2.5 weeks earlier and, assuming that they are going to a tariff that gives them the average saving, will get a one off benefit of £0.67. It is irrelevant how long they stay on the tariff and is obtained for every switch made. The total tariff saving is therefore £1,675,000 and not £837,500 as suggested in the workgroup report illustrative view. The assumptions made in regard to new switchers are reasonable.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

This modification positively affects relative objective (d) (ii) Securing of effective competition between relevant suppliers by allowing customers speedier access to their reason for switching supplier, for example for financial savings, improved customer service or to improve stability and predictability of future charges. Additionally this modification may encourage increased levels of customer switching due to a perception of greater ease to the switching process.

Impacts and Costs:

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

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Relative to benefits this modification should realise we consider costs to be low.

Implementation:

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

Implementation in quarter 4 is an aggressive timescale but is achievable. SSE would like to see all the electricity and gas modifications to deliver faster switching delivered on the same date. This would avoid significant additional cost and risk caused by separating the system deliveries and making the separate deliveries only weeks apart.

We would also wish to avoid further impacts to reputation that may occur if the switching timescales become confused for a period during the implementation period.

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?

The legal text and the ACS have not been reviewed.

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.

No.