

## European Union Third Package: Switching timescales

### Distribution Workstream assessment of options.

The topic was discussed at the September Distribution Workstream:

<http://www.gasgovernance.co.uk/sites/default/files/Third%20Energy%20Package.pdf>

The table below is under development within the Distribution Workstream. Participants are invited to submit assessments for each option, add new options, and add relevant comments. Submissions should be sent to:

[xoserve.onlinespa@xoserve.com](mailto:xoserve.onlinespa@xoserve.com)

xoserve will collate submissions and regularly update the document and arrange for publishing on the Joint Office website. The final version is expected to be completed by mid October. The assessment of complexity for Shippers/Suppliers will be the mean of all Shipper/Supplier submissions. Any other options added or relevant comments will be included on an anonymous basis.

#### Version history

| Version number | Date              | Reason                                                                             |
|----------------|-------------------|------------------------------------------------------------------------------------|
| 0.1            | 27 September 2010 | First draft from Distribution Workstream                                           |
| 0.2            | 29 October 2010   | Option 9 added following discussion at 28 October Distribution Workstream          |
| 0.3            | 11 November       | Updated with the average score of 3 shipper responses and an additional Option 10. |
|                |                   |                                                                                    |
|                |                   |                                                                                    |

### 1. Options description

**Option 1 “As is”** – Assume no change to systems, since current process allows customer transfer within 3 weeks – except where a bank holiday occurs.

**Option 2** – Reduction of the Objection window to 4 days – note: would need UNC mod to overcome Scottish Bank holiday.

**Option 3** – Reduction of the confirmation window to 4 days – again Scottish BH would need to be overcome.

**Option 4** – Reduction of both the objection and confirmation windows

**Option 5** – Removal of the objection window and leaving confirmation cancellation window in place.

**Option 6** – Begin transfer process during Customer’s cooling off period for those periods when a bank holiday applies. Confirmation could be subsequently cancelled if necessary. Note: would need to consider Confirmation cancellation for LSP if appropriate.

**Option 7** – Divorce of the supplier registration dates to Transporter registration dates.

**Option 8** – Change UNC rules to treat Bank Holidays as working days.

**Option 9** – Utilise the Inter Shipper Dispute process for larger supply points (process detailed in Gas Forum Code of Practise) to correct for those occasions where a Bank Holiday impacts the 15 day period.

**Option 10** – Effect a voluntary withdrawal

## 2. Assessment table

Complexity scale 1 – least complex, 3 most complex

| Option | xoserve | Shippers / suppliers (the score below is the average of all three Shipper/ supplier responses) | Others e.g. consumer | Score |
|--------|---------|------------------------------------------------------------------------------------------------|----------------------|-------|
| 1      | 1       | 1                                                                                              |                      |       |
| 2      | 3       | 2.6                                                                                            |                      |       |
| 3      | 3       | 3                                                                                              |                      |       |
| 4      | 3       | 3                                                                                              |                      |       |
| 5      | 2       | 3                                                                                              |                      |       |
| 6      | 1       | 3                                                                                              |                      |       |
| 7      | 2       | 2.3                                                                                            |                      |       |
| 8      | 1       | 1.3                                                                                            |                      |       |
| 9      | 1       | 2                                                                                              |                      |       |
| 10     |         | 1*                                                                                             |                      |       |
|        |         |                                                                                                |                      |       |

\*only 1 response to this option

Additional notes (the following are notes provided in the responses):

Please note that we have not formally undertaken an impact assessment on each of the above options and our scores are indicative at this stage.

Until we have clarity on the decision made by DECC and have sight of any associated draft licence conditions it is not possible to assess what, if any, changes will be required.

We have articulated within our consultation response that the issues which may require changes to be made to gas industry arrangements can be resolved by ensuring that any obligation is appropriately worded. i.e. the bank holiday issue can be addressed through licence by stating a switch should be undertaken within 15 working days (there is already a definition of working day within licence). In addition we have recommended that the three week switch 'clock' should not start until the shipper is in receipt of confirmation that the initial confirmation file has been accepted. This would address the nomination non-domestic issue and would generally enable shippers to achieve a three week switch by stating the D+15 SSD on the confirmation file.

We have also urged DECC to provide clarity as soon as possible to ensure that time is not wasted on assessing change if it is ultimately not required.