

Representation

Draft Modification Report

0403: EU Third Package: 21 day switching with flexible objection period

Consultation close out date: 02 March 2012

Respond to: enquiries@gasgovernance.co.uk

Organisation: EDF Energy

Representative: Stefan Leedham

Date of Representation: 02 March 2012

Do you support or oppose implementation?

Qualified Support

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

This modification will ensure that the GB gas market and suppliers are compliant with the EU requirements to facilitate Supply Point transfers within 3 weeks. This proposal ensures that this requirement can be met and also ensure that the maximum time is available for raising and resolving objections which we believe will have a positive impact on customer satisfaction and experience. However, this additional flexibility comes at a significant cost to our IT systems. As there are future developments being driven by smart metering and project nexus we believe that this additional flexibility and cost is not warranted for a temporary solution. We therefore prefer modification proposal 0393 to this, although recognise that both proposals meet the relevant objectives and EU requirements.

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

No additional issues.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We agree with the work group report that implementation of this proposal will facilitate relevant objectives A11.1 (a) and A11.1 (g).

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Version 1.0

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Impacts and Costs:

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

We will incur additional costs to amend our system, which we expect to be close to double the cost of implementing proposal 0393. This is driven by the additional complexity that this proposal would have on our system.

Implementation:

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

Timely implementation is required to ensure compliance with EU 3rd package requirements and licence requirements; however, the industry also needs to be given sufficient time to implement changes to their systems and the associated testing. We believe that this should best be resolved through the UK Link Committee and would urge early engagement by Xoserve through this if a decision to implement is taken.

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?

We have no comments on the legal text.

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.

We would that implementation of this proposal would maximise the time that Shippers have to raise and resolve objections, which we believe will ensure that in the majority of cases the current levels of customer experience during a supply point transfer will be maintained. This is caused by the fact that under modification 0396 Shippers will only have 3 business days to raise and resolve objections, increasing the risk that erroneous transfers are not prevented, and increasing the risks that objections are not cleared and resolved compared to the current arrangements. However, given that most transfers are raised without any objection we believe that this is a marginal benefit.

As previously we are aware that there are numerous other developments that may impact on the supply transfer process including Project Nexus and Smart metering. To this end we believe that there would be significant value if enduring arrangements were developed so that the gas and electricity timelines are processes were aligned. This would enable real benefits to customer service and experience to be benefits, along with benefits to supplier systems and processes. We therefore support implementation of this proposal as a temporary solution to ensure compliance with the EU 3rd Package but recognise that there are further opportunities that can be realised in the future when registration moves to the DCC.

For clarity we prefer implementation of 0396 over modification proposal 0403.