

Modification proposal:	<b>Supply Point Administration Agreement (SPAA) Change Proposal (CP) 08/121 (CP08/121): Limitation on the number of erroneous requests following a rejection</b>		
Decision:	The Authority <sup>1</sup> directs that this proposal be made <sup>2</sup>		
Target audience:	SPAA Parties and other interested parties		
Date of publication:	31 March 2009	Implementation Date:	June 2009 scheduled release

## Background to the change proposal

The current customer transfer process allows either the outgoing or incoming supplier to raise an objection to the transfer where they believe it is taking place erroneously. This is generally upon confirmation from the customer and could be caused by incorrect data, particularly with respect to the Meter Point Reference Number (MPRN), or potentially the result of misleading or confusing information previously given to the customer.

## The modification proposal

The prevailing arrangements around the erroneous transfer process places no limitation on the incoming suppliers attempts to re-initiate the transfer. If the transfer is again blocked, this cycle can be repeated several times over before that matter is resolved. The proposer's analysis suggests that the same MPRN can be re-submitted and subsequently rejected up to 12 times before the matter is resolved.

CP08/121 seeks to reduce the amount of multiple erroneous transfer requests that can be raised by introducing a manual back-stop, whereby the relevant supplier will contact the initiating supplier directly by telephone to resolve the matter if they have received three requests to transfer the same MPRN and all those requests are believed to have been validly rejected.

## The Authority's decision

The Authority has considered the issues raised by the change proposal and has taken into account responses to the SPAA consultation, as set out in the Change Report (CR), and the views of the subsequent SPAA Change Board held 18 December 2008. The Authority has concluded that:

1. implementation of the change proposal will better facilitate the achievement of the relevant objectives of the SPAA<sup>3</sup>; and,
2. directing that the change proposal be made is consistent with the Authority's principal objective and statutory duties<sup>4</sup>.

<sup>1</sup> The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

<sup>2</sup> This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

<sup>3</sup> As set out in Standard Condition 30 of the Gas Suppliers Licence, see:

[http://epr.ofgem.gov.uk/document\\_fetch.php?documentid=13010](http://epr.ofgem.gov.uk/document_fetch.php?documentid=13010)

## Reasons for the Authority's decision

We note that this proposal received unanimous support from the voting suppliers at the SPAA Change Board. The two Gas Transporters present declared no interest. The weighted voting results were therefore 100%; the threshold for acceptance of change proposals is currently set at 65%. We note the two responses to the earlier consultation, with one suggesting alternative drafting to the legal text; the other respondent had initially rejected the proposal suggesting that it was unnecessary altogether. These comments were discussed at the subsequent change board, with changes to the drafting being agreed as appropriate. The respondent who had earlier suggested that the proposal was unnecessary also accepted the revised version.

Whilst the introduction of a manual back stop will be labour intensive and costly, we agree with the proposer that overall this should lead to a more efficient erroneous transfer process. It should ensure that those transfers which have been incorrectly rejected are resolved earlier, allowing the customer to transfer to their chosen supplier without further delay. It will also reduce the amount of iterative work undertaken by incumbent suppliers in dealing with genuine erroneous requests. We therefore consider that this change proposal will better facilitate relevant objective a) *'the development, maintenance and operation of an efficient, coordinated and economical change of supplier process'*.

Following our acceptance of CP08/120: 'Authority Consent' it is likely that this proposal would ordinarily have been dealt with under self governance rather than requiring our consent. However, as this proposal pre-dates our decision on CP08/121 it is appropriate that it be dealt with under the previous arrangements, and as it impacts upon a mandatory schedule of the SPAA, requires our consent.

## Decision notice

In accordance with Standard Condition 30 of the Gas Suppliers Licence, the Authority, hereby directs that change proposal CP08/121: *'Limitation on the number of erroneous requests following a rejection'* be made.

**Mark Feather**  
**Director, Industry Codes and Licensing**

Signed on behalf of the Authority and authorised for that purpose.

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<sup>4</sup> The Authority's statutory duties are wider than the relevant objectives and are detailed mainly in the Gas Act 1986.