



*Promoting choice and
value to customers*

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Utility Grid Installations Ltd, Shippers and other parties.

Dear Colleague,

Modification Proposal UGI12: To mandate the provision of the New Supplier Identity to the Old Shipper as part of the ceased responsibility notice.

Ofgem has considered the issues raised in Modification Proposal UGI12: 'To Mandate the provision of the new Supplier Identity to the Old Shipper as part of Ceased Responsibility Notice (CRN)'.

After consideration of the Modification Proposal and having regard to its statutory duties, Ofgem has decided to direct Utility Grid Installations Ltd (UGI) to implement the modification, because we believe that the proposal will better facilitate the relevant objectives of the Network Code.

In this letter, we explain the background to the modification proposal and give our reasons for making our decision.

Background to the proposal

The Customer Transfer Programme (CTP), identified areas for improving the communication of customer information between suppliers during the customer transfer process. The End to End CTP solutions included a defined process where the Old Supplier sends information from its billing processes directly to the New Supplier using a new flow, called the Notification of Old Supplier Information (NOSI) Flow. The New Supplier can then use that information to identify issues early in the process, allowing them to take remedial action or manage the customers' expectation appropriately.

The Modification Proposal

The Modification Proposal seeks to modify the UGI's Network Code such that it mandates the provision of the identity of the New Supplier to the Outgoing Shipper.

Respondents' views

Two representations were received in total. Both respondents supported the Modification Proposal with one stating that the modification proposal should contribute to a more robust Change of Supplier process and that the proposal is similar to other initiatives in the electricity market.

Ofgem's view

Ofgem considers that the Proposed Modification would benefit suppliers in a number of areas which require supplier to supplier communication, and will therefore better facilitate the communication of customer information between suppliers during the customer transfer process. Ofgem considers that this will further facilitate effective competition between suppliers.

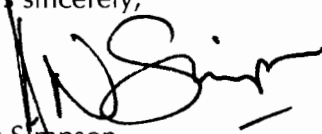
Ofgem's decision

For the reasons set out above Ofgem has decided to direct UGI to implement Modification Proposal 012. Ofgem considers that the Modification Proposal will further the relevant objectives of UGI's Network Code, as set out in Standard Licence Condition 9 of its Gas Transporters Licence.

In accordance with condition 9 (9) (b) of the standard conditions of Utility Grid Installations Ltd Gas Transporter's Licence, dated 22 January 2001, I hereby direct Utility Grid Installations Ltd that the above proposal (as contained in Utility Grid Installations Ltd Network Code Modification report 012 dated 29 April 2005) be made as a modification to the Network Code.

If you have any queries in relation to the issues raised in this letter, please feel free to contact Samantha McEwen on 020 7901 7032.

Yours sincerely,



Nick Simpson

Director, Modifications

Signed for and on behalf of the Gas and Electricity Markets Authority (Ofgem).