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14 April 2005

Scottish and Southern Electric Pipelines Ltd, Shippers and other interested parties.

Dear Colleague,

Modification Proposal SSEP 010: 'Mandate the provision of new Supplier ID to the Old Shipper as part of 'Ceased Responsibility Notice' (CRN)'.

Ofgem has considered the issues raised in Modification Proposal SSEP 010: 'Mandate the provision of new Supplier ID 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 Scottish and Southern Electric Pipelines Ltd (SSEP) 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 SSEP's Network Code such that it mandates the provision of the identity of the New Supplier to the Outgoing Shipper.

The Proposer considers the Modification Proposal will improve the robustness of the Change of Supplier process by providing a facility for the New Supplier to spot potential issues early in the transfer process.

The Proposer therefore considers that the Modification will better facilitate effective competition between relevant shippers and between relevant suppliers, by improving the efficiency, accuracy and timeliness of the Change of Supplier process.

Respondents' views

Four representations were received in total. All of the respondents supported the Modification Proposal. The following are the substantive comments raised:

One respondent considered that the Proposed Modification will help to improve the efficiency, accuracy and timeliness of the change of supplier process. Another respondent considered the Modification Proposal to be fundamental in allowing the old Supplier to identify and send the New Supplier an estimated Change of Supplier reads.

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 SSEP to implement Modification Proposal 010. Ofgem considers that the Modification Proposal will further the relevant objectives of the SSEP'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 Scottish and Southern Electric Pipelines Ltd Gas Transporter's Licence, dated 21 February 1996, I hereby direct Scottish and Southern Electric Pipelines Ltd that the above proposal (as contained in Scottish and Southern Electric Pipelines Ltd Network Code Modification report 010 dated 11 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 Ndidi Njoku on 020 7901 7157.

Yours sincerely,



Nick Simpson

Director, Modifications

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