

Change of Supplier Expert Group

Meeting 4
22 July 2013

ofgem

Rachel Hay

ACCESS TO METERING DATA AND SUPPORT FOR METERING MARKET

- Approach to reform
- Views from stakeholders
- Current arrangements & possible areas for reform in Electricity
- Current arrangements & possible areas for reform in Gas
- Addressing the data needs of MAPs and MAMs/MOPs following CoS

- Concern from industry about the efficiency and accuracy of the arrangements, leading to delays in customer transfers and accurate billing
- Current model designed 15 years ago around traditional metering
- Smart metering provides a step change in technology
- Ofgem now reflecting on how best to capture these benefits for consumers

Smart Metering Implementation Programme Prospectus, Ofgem and DECC 2010

'Scope of DCC: Subject to further refinement and testing with industry we propose that...Data aggregation/data processing could be included later.'

Smart meter roll-out for the domestic and small and medium non-domestic sectors (GB): Impact assessment, DECC 2013

IA estimated benefits of DCC including data aggregation at 89p per smart meter per year

IA also noted that decisions would *'be subject to further technical, economic and competition impacts analysis.'*

Our aim is to remove constraints from metering arrangements on delivering high level objective (a fast, reliable and cost-effective change of supplier process).

Our intention is to only reform processes and/or market structure to the extent necessary to enable this central objective to be met.

- There are likely to be a number of ways to achieve this.
- The gas and electricity market arrangements only need match to the extent that this enables the central objective to be met.

Our scope includes both gas and electricity, across all customer and metering types. This presentation considers what the optimal arrangements may be for customers with different metering types. However, consideration will also need to be given to back-up arrangements where issues arise.

We have not considered audit arrangements for reform options but believe any solution must be auditable to ensure integrity of the industry arrangements.

Data quality

- CoS read: Complex data hand-offs can impact quality of data and ability to validate and process CoS meter reads. CoS also brings pre-existing data quality issues to light.
- Settlement: Exceptions can arise from data flows between multiple parties.

Speed

- Multiple agent dependencies and appointment process can lengthen the time it takes to transfer customers

Lock out

- Time taken for agent appointments and data exchanges to be finalised can necessitate lock out periods post-transfer

Market complexity

- Current market structure complex and difficult to navigate efficiently
- Markets benefit from clearly defined roles of agents

Competition (agents)

- Mixed views on the value of competition in DP and DA
- Some question how competitive the market is and advocate centralising DP and DA functions
- Some question the efficiency of current DP and DA arrangements in a smart world
- Others consider that agent competition has brought costs down considerably

Feedback has focussed on how data quality is impacted by poorly defined system processes and compliance issues...

Data quality

- Non-mandatory data flows mean information is not always shared and updated across parties.
- Limited data validation following meter reads, impacting on data quality.
- Accuracy of estimated meter reads would improve if Xoserve had more frequent reads.
- Absence of formal audit arrangements to ensure data quality.
- Lack of monitoring of compliance with submission of updated meter technical details to central systems by suppliers/shippers and MAMs.
- MTDs transmitted to agents do not cover data logger and ancillary equipment for DM sites.
- Suppliers/shippers/agents do not generally update centrally held data where problems are identified. Unclear whose duty it is to retrospectively plug data gaps. Often there is a disincentive to clean and update central data as doing so could have cost impacts.
- MAPs experience difficulty in getting the data they need from MAMs following a CoS or meter removal.
- Challenges in exchanging data caused by multiple incompatible comms networks.

Competition (metering)

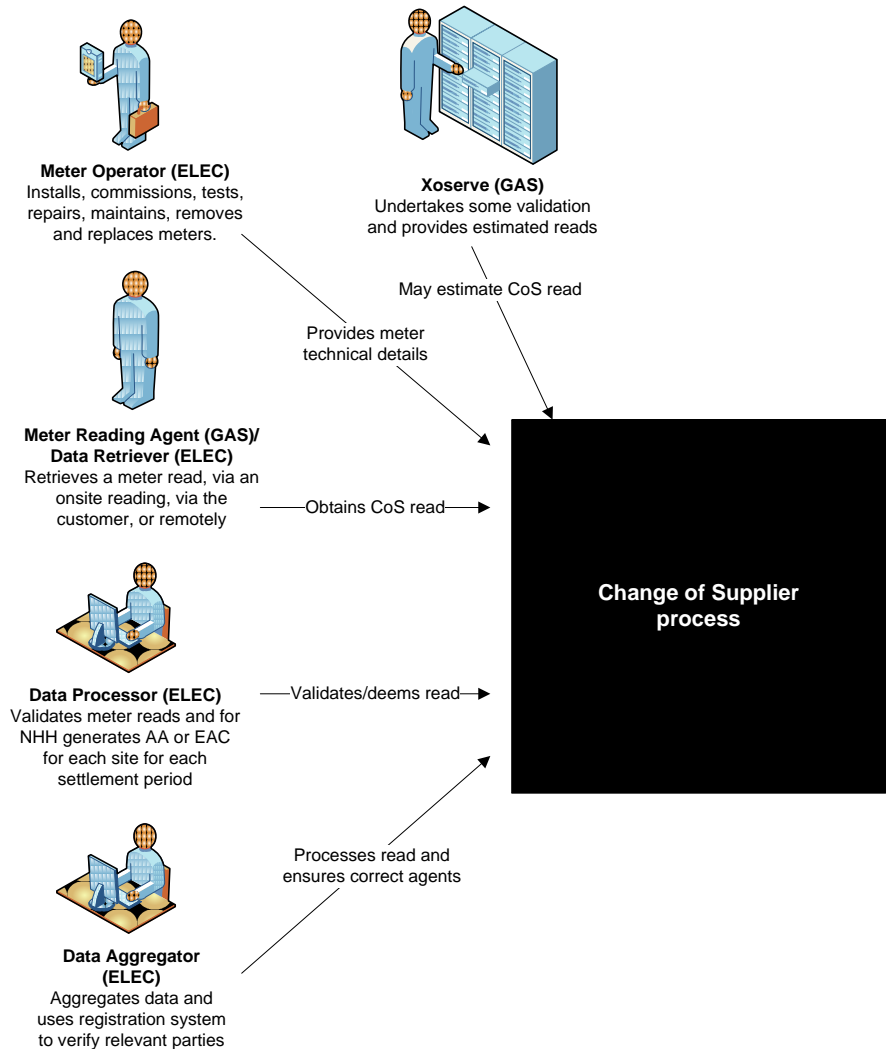
- Roles of agents and appointment timescales ill-defined which can mean responsibilities are unclear. Roles and responsibilities can be blurred.

Q1. What is your view of the problems identified by stakeholders around the electricity arrangements?

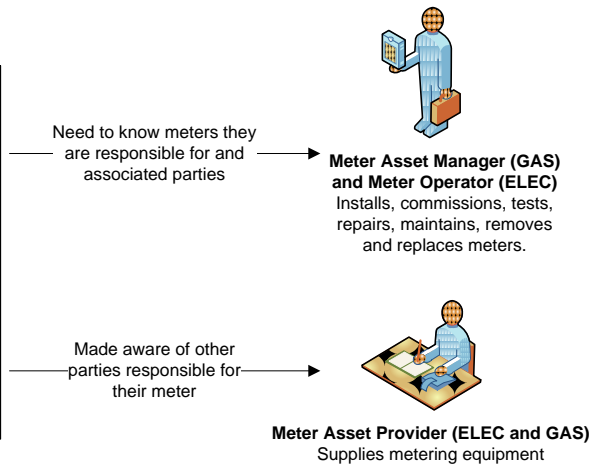
Q2. What is your view of the problems identified by stakeholders around the gas arrangements?

Agents interactions and dependencies with the Change of Supplier process

Process dependent on:

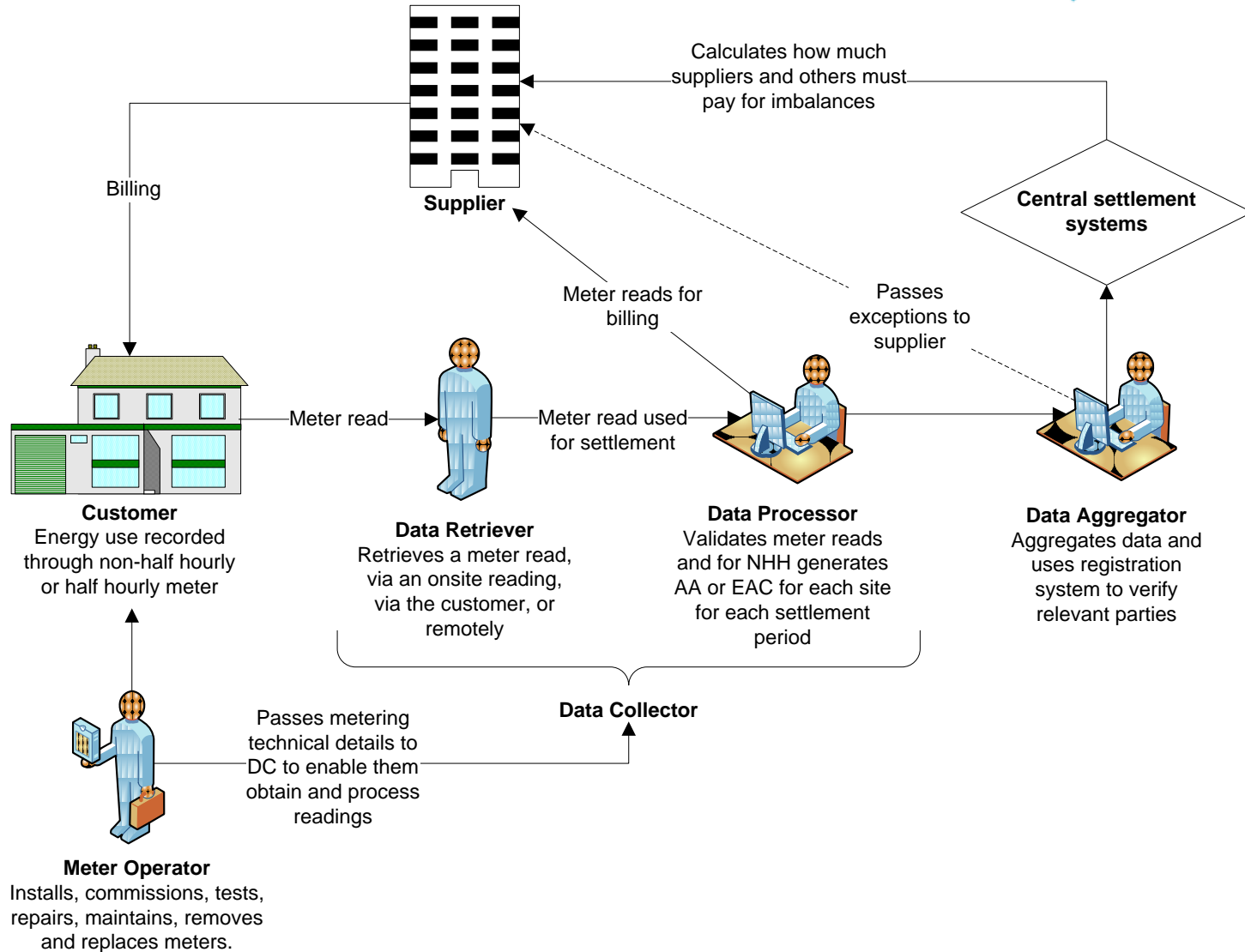


Depend on outcomes of process:



Thinking about the left hand side
of the diagram and the agents that
the CoS is dependent on...

Electricity – Current arrangements and some possible options for reform



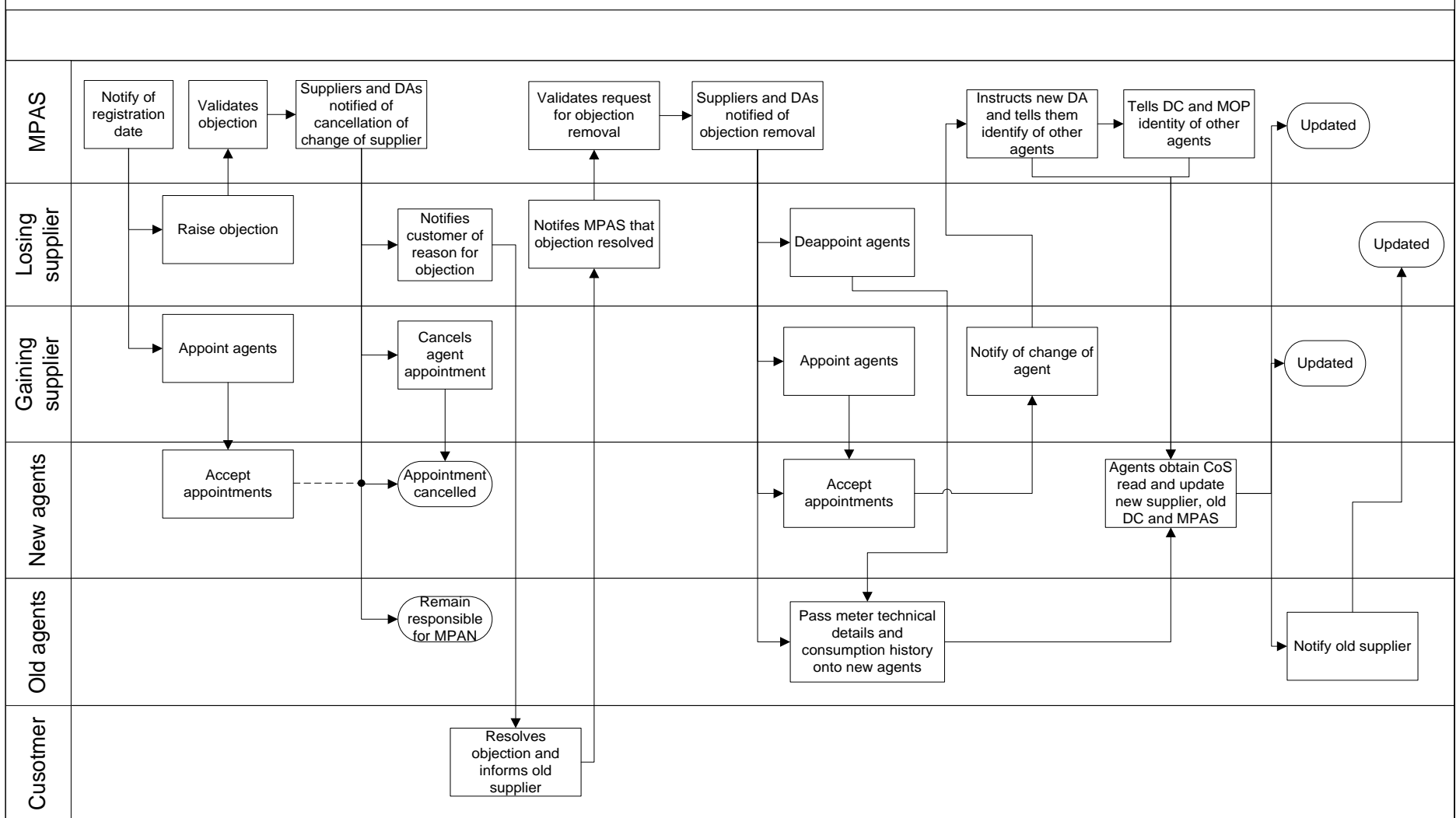
Agent appointments: New DC and MOP must be appointed in order to obtain, interpret, and validate the CoS meter read.

Access to meter technical details: In order to interpret the CoS meter read, new MOP and new DC get meter technical details from old MOP.

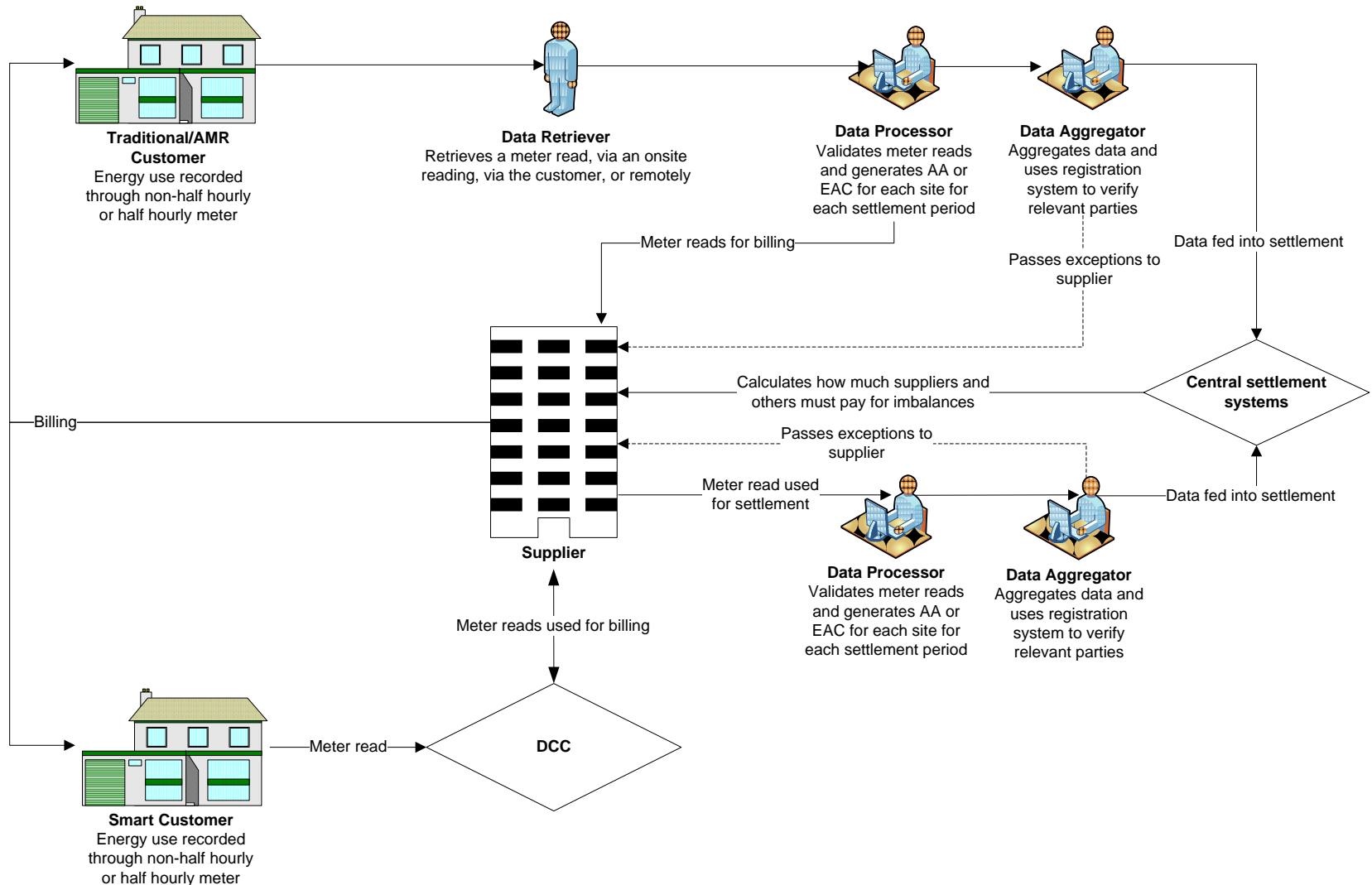
Access to consumption history: New DC requires consumption history from old DC to validate or deem the read.

Registration and objection notification flows: DA kept informed of registrations/ progression of objections.

Illustrative CoS processes under current arrangements once registration request accepted (with objection raised and resolved)



Reform Change of Supplier processes within the 'current + DCC' market structure



Option 1 – CoS processes sitting below market structure

Reform smart change of supplier processes within the ‘current + DCC’ market structure

Agent appointments: New supplier able to obtain reads directly, so no need for a new MOP or DC to be appointed to facilitate CoS read. Agent appointment process ‘decoupled’ from the CoS (i.e. need not happen simultaneously).

Access to meter technical details: Created by new supplier. No need for new MOP to obtain these from old MOP.

Access to consumption history: No need for new DC to obtain consumption history from old DC to enable deeming or validation – read obtained directly under smart.

Registration and objection notification flows: Unnecessary as agent appointment process decoupled.

Assumes no need for data validation

Assumes all the information necessary for CoS can be accessed from the meter/configured

Assumes no need for data validation

Q3. Are these assumptions correct?

Q3a. If yes, then are dependencies and data hand-offs sufficiently addressed for smart customers in CoS?

Q3b. If no, then how could the resulting dependencies be addressed? Could a central data repository support the new supplier in validating the CoS read and accessing necessary data?

Reform traditional/AMR change of supplier processes within the 'current + DCC' market structure

Option 1a: New supplier remains responsible for opening read

Agent appointments: New DC must be appointed to obtain read. Appointment flows simplified with appointment taking place after objection window.

Access to meter technical details: Meter technical details held centrally so new DC can access them and interpret CoS read.

Access to consumption history: New DC uses centrally held historical meter read data to validate or deem a read.

Notification flows: Agents appointed after objection window, reducing need for information flows.

Option 1b: Old supplier/agents responsible for opening read

Agent appointments: Read obtained by old DC, so appointment process decoupled from CoS.

Access to meter technical details: Old DC will already have the meter technical details.

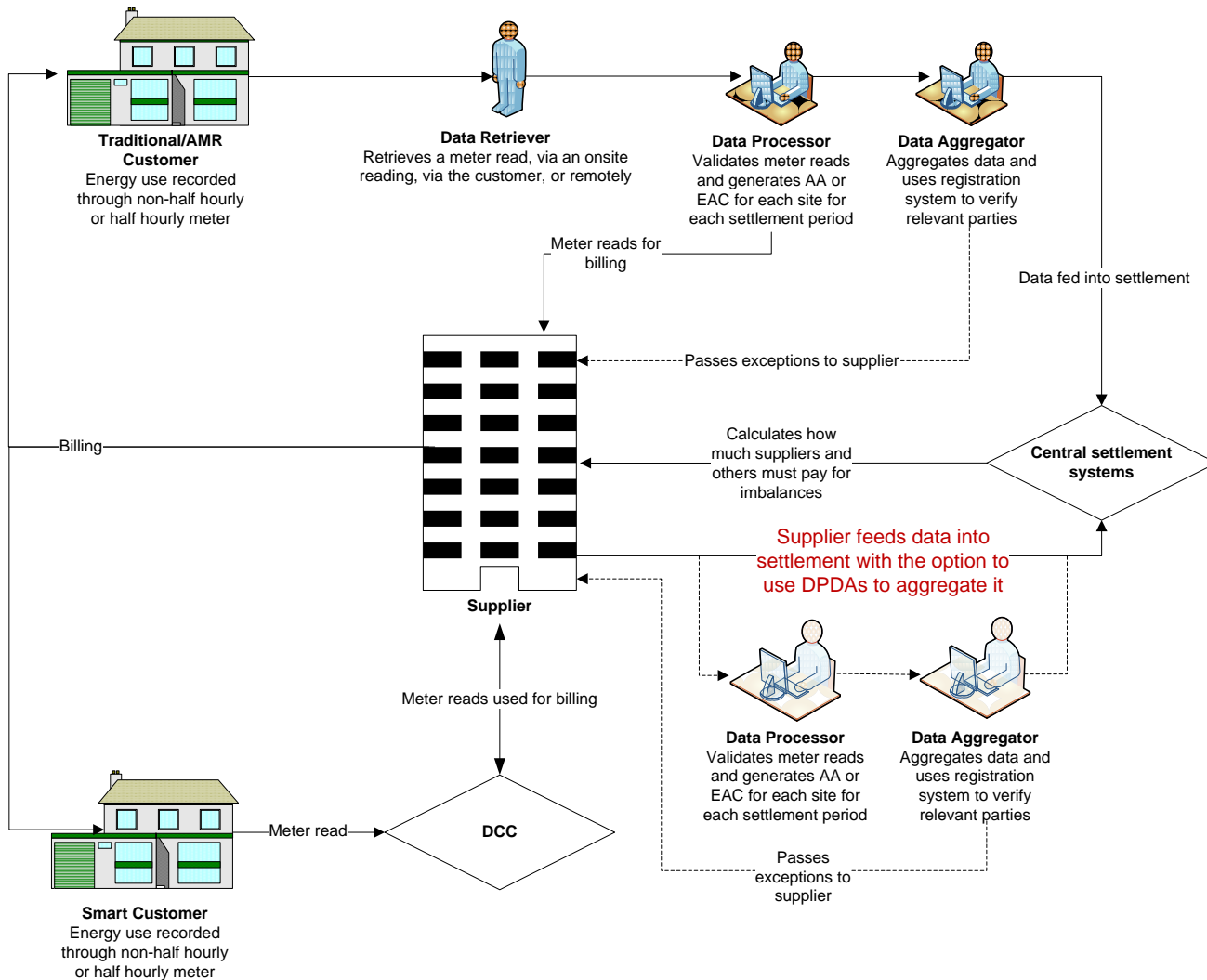
Access to consumption history: Old DC will already have the historical meter read data necessary to validate or deem a read.

Notification flows: Unnecessary as agent appointment process decoupled.

Q4. Do either of these effectively resolve the issues identified for traditional/AMR customers and enable a fast, reliable and cost-effective change of supplier process?

If not, there are a range of ways
in which we could reform the
market structure...

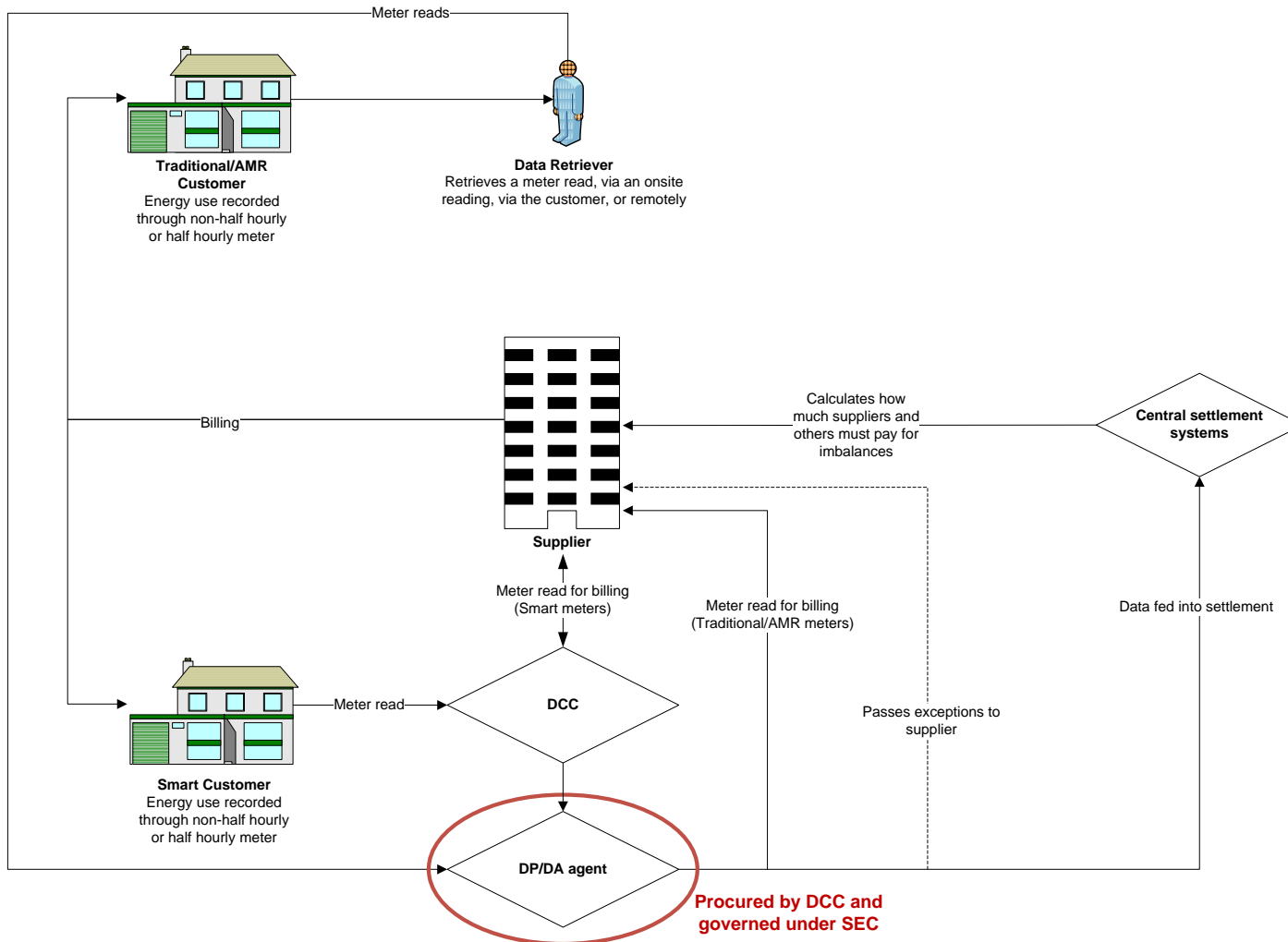
Suppliers responsible for feeding smart data into central settlement



For smart has the advantages of:

- eradicating the need for formal appointment processes and notification flows
- giving suppliers responsibility for data quality

DCC responsible for DPDA



Key disadvantage is removal of competition.

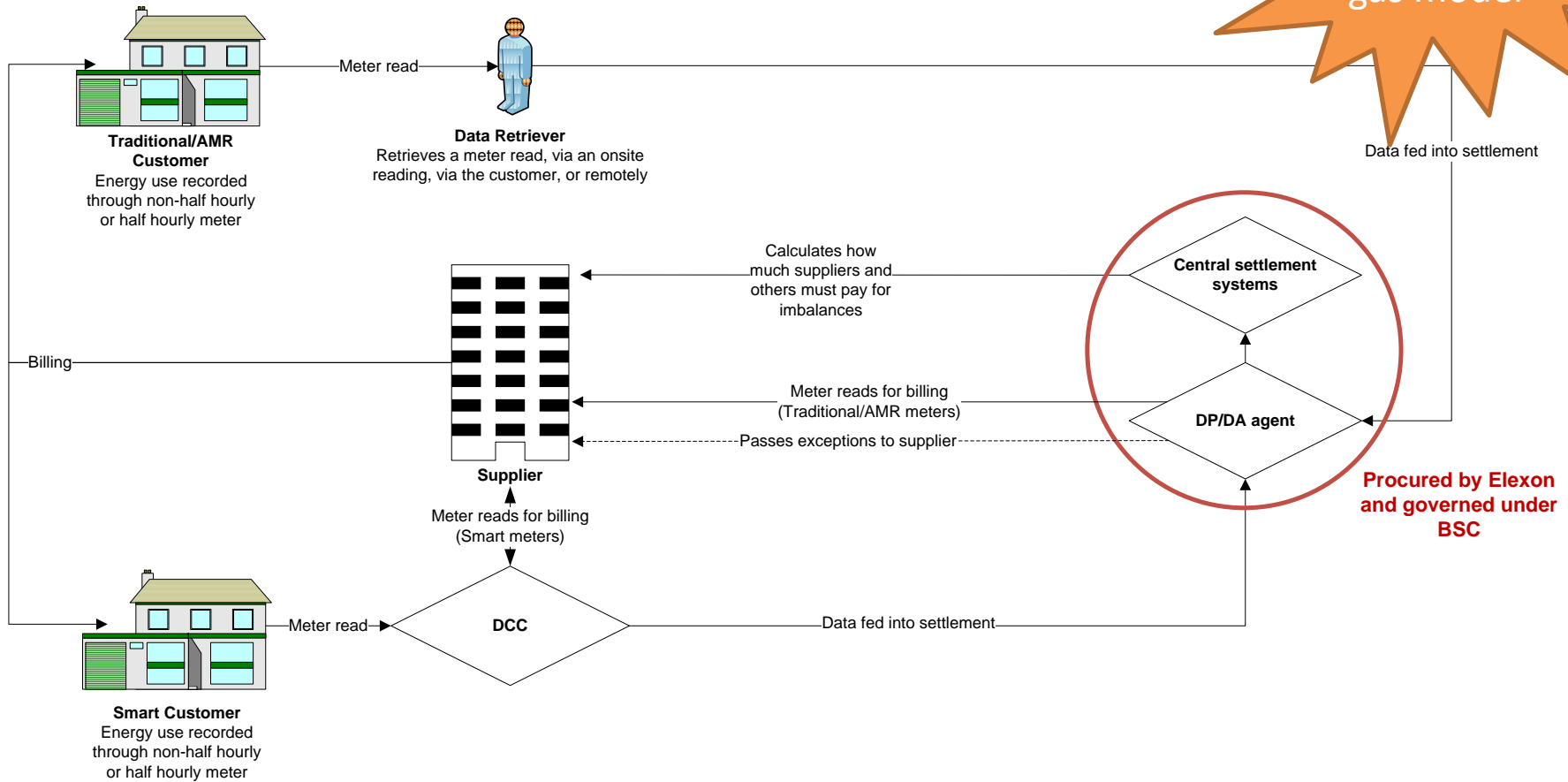
For smart has the advantages of:

- eradicating the need for appointments
- any data quality/reliability improvements resulting from use of central agent with standardised processes

For traditional/AMR has the advantages of:

- simplifying appointments
- creating central repository of meter data and meter technical details
- any data quality/reliability improvements resulting from use of central agent with standardised processes

DPDA becomes a component of central systems



Key benefits/disadvantages similar to centralising functions under DCC

Hybrid of these options?

- It would be possible to break down DP and DA functions into their constituent parts and allocate them where most appropriate, e.g.:

| Function | Currently sits within... | Could sit within... |
|--|--------------------------|--|
| Maintaining an overview of the agents/parties responsible for a metering point | DA | DCC - Could be a part of centralised registration. |
| Aggregation of data | DA | Central settlement systems – Standardised calculations for settlement may sit best centrally. |
| Validation of reads | DP | Suppliers – To support consistency between reads for billing and reads for settlement, suppliers could perform validation. |
| Calculation of EACs/AAs | DP | Central settlement systems - Standardised calculations for settlement may sit best centrally. |

Careful thinking would be necessary to understand how data flows between the different parties would be choreographed under a hybrid option.

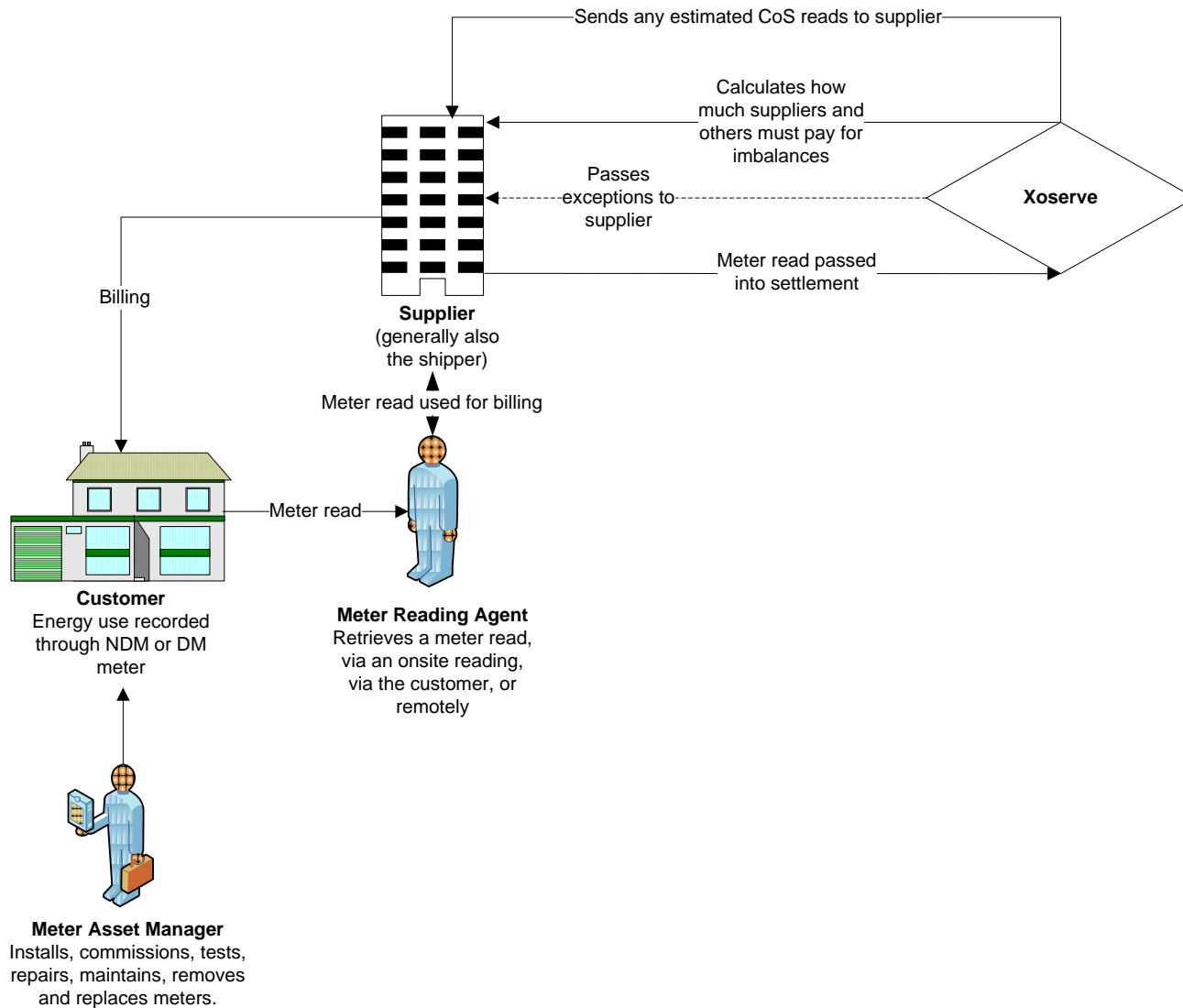
Q5. Do you consider there to be additional pros/cons to each option that we have not considered? E.g.

- Do the options address all of the issues identified by stakeholders?
- Are all options auditable?
- Are any options particularly conducive to back-up arrangements?
- Need electricity and gas arrangements mirror one another?

Q6. Which is your preferred option (or variation on an option) and why?

Q7. Are there any new options you think we have missed that could effectively address the problems identified?

Gas – Current arrangements and some possible areas for reform



Agent appointments: CoS read not reliant on appointment of new MRA or MAM. Rather than each MPRN being associated with an MRA, each supplier will have an MRA they contract with (eg in an area) who takes readings as needed. When a site is acquired the supplier will direct their MRA to take a reading. Meter technical details are held centrally so there is no need for a new MAM to be appointed to facilitate the read.

Access to meter technical details: Meter technical details (MTDs) held centrally. This relies on the MAM providing MTDs to supplier so that they can update central systems (via the shipper) at the point of meter installation. New challenges from DM unbundling as data logger information not currently part of MTDs.

Access to consumption history: New supplier responsible for the opening read. The meter is either read (by an agent or the customer) and sent to Xoserve for validation, or estimated by Xoserve. Historical consumption data needed for Xoserve to estimate a reading is held centrally.

Registration and objection notification flows: Any flows to update agents are non-mandatory.

Apart from a contractual reliance on MRAs to take the CoS read (where it is taken), it appears that none of the CoS processes are dependent on agent interactions.

The limited dependence on multiple parties and the limited data hand-offs imply, at least at a structural level, that there are efficient channels for suppliers and others to access the data and information they need to complete the switch.

- But given stakeholder feedback, is data and process reliable?
 - Improved definition of agents and agent responsibilities?
 - Should the data flows be made mandatory where there is an underpinning regulatory requirement?
Are parties aware of important data/information at the right times?
 - Are read validation processes sufficiently robust?
 - Does Xoserve have sufficient historical consumption data to accurately deem reads?
 - Is there a need for greater audit in gas?
 - Are suppliers/shippers updating central systems with meter technical details in a timely and accurate fashion? Who is best placed to update meter technical details on central systems going forward?
 - Are the responsibilities and obligations for cleaning centrally held data sufficiently well defined?

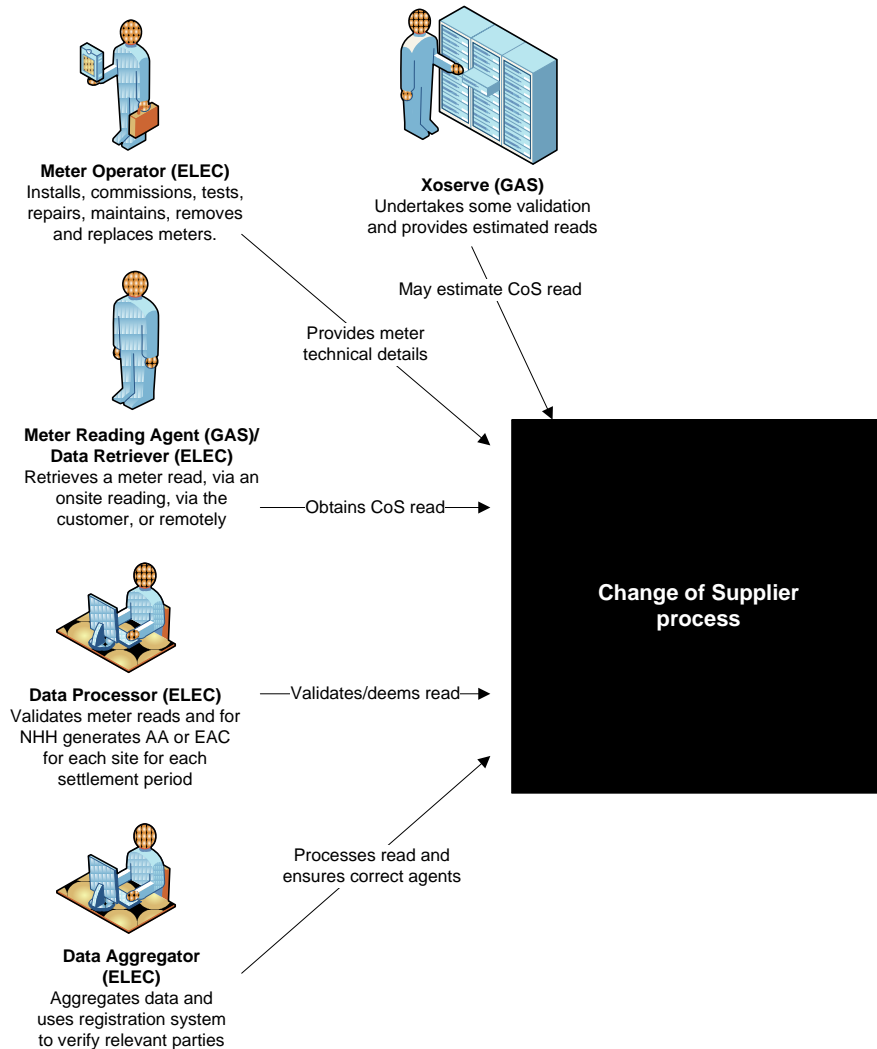
Potential role of Gas Performance Assurance Framework to address issues identified above?

Q8. Do you agree with our assessment of the issues that exist with the gas arrangements?

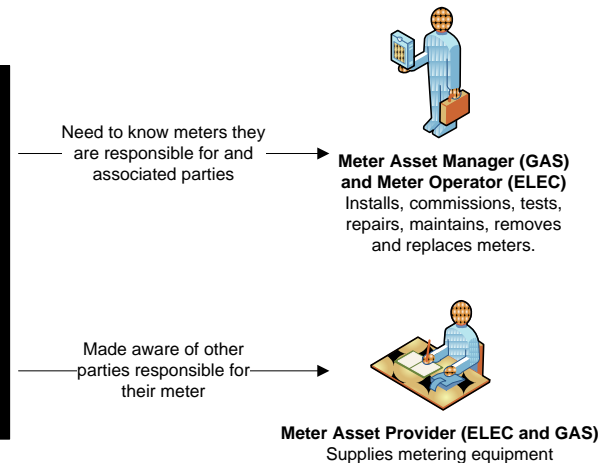
Q9. Do you consider a Gas Performance Assurance Framework to be the appropriate place to address these issues?

Agents interactions and dependencies with the Change of Supplier process

Process dependent on:



Depend on outcomes of process:



Thinking about the right hand side
of the diagram and the information
that MAM/MOPs and MAPs need
out of the CoS...

MAPs currently able to access ID data from central systems

Gas: UNC 422 allows MAPs to request report on assets, supply and supply meter point data for portfolio of MPRNs. Quality of data on MAM IDs intended to be improved through MOD 0437S which stops shippers deleting MAM information on CoS.

Electricity: MAPs able to request data from ECOES (updated by MOPs) to tell them relevant IDs for an MPAN.

DECC currently consulting on arrangements to allow for MAPs to track assets

Smart Metering Programme, Foundation Smart Market, The Government Response to the Consultation on the Foundation Smart Market and Further Consultation, May 2013

The Government has concluded that it will introduce three new Supply Licence conditions to support Smart Change of Supplier:

- i. following a change of supplier, the losing supplier of a consumer with a SMETS compliant smart metering system will be required to: provide the gaining supplier with the details of the Meter Asset Provider (MAP) for the relevant smart metering equipment; and provide the MAP with the identity of the gaining supplier.*
- ii. where a gaining supplier acquires a SMETS compliant smart metering system on change of supplier, it will be required to agree rental terms with the relevant MAP, within one or six months (depending on whether it has existing commercial arrangements with the MAP) or return the smart metering equipment to the MAP, within one month thereafter; and*
- iii. a supplier will be required to take all reasonable steps to install a SMETS-compliant smart metering system when it replaces a SMETS-compliant smart metering system following change of supplier.*

Initial discussions with MAPs, MAMs and MOPs suggest that the above arrangements are helpful but incomplete/inefficient in the long term, and that there are farther reaching issues with current industry arrangements. We are seeking to identify which remaining issues are within scope of this project (i.e. directly CoS-related) and whether these could be addressed through a central registration system.

Q10: Do you consider there to be any remaining data needs for MAPs, MOPs and MAMs which are directly CoS-related, and if so, what and why?

Q10a: If yes, might a central registration system be able to solve these issues, and if so, how?

Robyn Daniell

CENTRALISING REGISTRATION SERVICES

Recap from last meeting

- Our high-level objective is to improve the efficiency of industry registration systems through centralisation
- Opportunity created through new DCC role and Smart Energy Code (SEC) governance
- March 2011 prospectus concluded that DCC should take on role of central registration service provider for gas and electricity 2 to 3 years after go-live
- Ofgem and DECC agreement that COS project will include consideration of how and when DCC could take on specific aspects in relation to registration services

| Core option | Sub-option |
|--|--|
| <p><u>Option 1</u></p> <p>DCC takes on responsibility for centralised registration service</p> | <p>a) Governance under SEC</p> <p>b) Governance retained under existing industry codes</p> |
| <p><u>Option 2</u></p> <p>SEC Panel takes on responsibility for registration with governance under SEC</p> | <p>a) Existing network operators provide physical registration services</p> <p>b) DCC provides a “front end” switching service and network operators provide master registration databases</p> <p>c) DCC provides full registration services</p> <p>d) Registration services provided by Third Party</p> |

| Core option | |
|--|---|
| <p><u>Option 1</u></p> <p>DCC takes on responsibility for centralised registration service</p> | a) Obligation under licence |
| | b) DCC would have discretion on how to procure and decide on the contractual arrangements |
| | c) Subject to economic and efficient test under price control |
| <p><u>Option 2</u></p> <p>SEC Panel takes on responsibility for registration with governance under SEC</p> | a) Arrangements would need to be in line with SEC objectives |
| | b) Reliance on SEC panel members to make best decision |

Evaluation of reform options

| Criteria | Option 1 – DCC fully centralised reg. service | Option 2a- SEC incorporates reg. governance | Option 2b – SEC Panel requires DCC front-end | Option 2c –SEC Panel requires DCC reg. service | Option 2d – SEC Panel requires 3 rd party service |
|-----------------------------|--|---|--|--|--|
| Speed | No impact | No impact | No impact | No impact | No impact |
| Ease | Single enquiry service and alignment in gas an electricity COS | Single enquiry service when centralised | Single enquiry service and alignment in gas an electricity COS | Single enquiry service and alignment in gas an electricity COS | Single enquiry service and alignment in gas an electricity COS |
| Accuracy | Data held in one place – improve quality | No impact | No impact | Data held in one place – improve quality | Data held in one place – improve quality |
| Coverage | No impact - works for all meter types | No impact - works for all meter types | No impact - works for all meter types | No impact - works for all meter types | No impact - works for all meter types |
| Consumer expectation | Alignment of transfer process across fuels | Potential benefits from single enquiry service? | Alignment of transfer process across fuels | Alignment of transfer process across fuels | Alignment of transfer process across fuels |

Evaluation of reform options

| Criteria | Option 1 – DCC fully centralised reg. service | Option 2a- SEC incorporates reg. governance | Option 2b – SEC Panel requires DCC front-end | Option 2c –SEC Panel requires DCC reg. service | Option 2d – SEC Panel requires 3 rd party service |
|------------------------------|--|--|--|--|--|
| Design - flexibility | Centralised governance and single change control process for both fuels | Centralised governance – coordination across fuels | Centralised governance and coordinated change control for both fuels | Centralised governance and coordinated change control for both fuels | Centralised governance and coordinated change control for both fuels |
| Design – robustness | Lower reg. input required under one code. Uncertain role of shippers? | Lower reg. input required under one code. Uncertain role of shippers? | Lower reg. input required under one code. Uncertain role of shippers? | Lower reg. input required under one code. Uncertain role of shippers? | Lower reg. input required under one code. Uncertain role of shippers? |
| Integration | If changing reg. system – good opp. to look at broader CoS process | No impact | If changing reg. system – good opp. to look at broader CoS process | If changing reg. system – good opp. to look at broader CoS process | If changing reg. system – good opp. to look at broader CoS process |
| Solution cost/benefit | System efficiencies and lower change control costs. Costs TBC | Lower change control costs Costs TBC | System efficiencies and lower change control costs. Costs TBC | System efficiencies and lower change control costs. Costs TBC | System efficiencies and lower change control costs. Costs TBC |
| Implementa- tion | TBC | TBC | TBC | TBC | TBC |

COSEG has been asked to:

- Identify any further options for discussion at today's meeting
- Review options against the Evaluation Criteria
- Identify any differences in approach required between
 - Smart and traditional meters
 - Domestic and non-domestic
 - Electricity and gas
- Identify any links and dependencies that should be taken into account
- Provide further views on where centralisation could provide benefits
- Review the role of shippers in managing gas registrations under SEC?

ROUNDTABLE DISCUSSION

- Summary and actions
- Is further information required to support COSEG's assessment of the reform options?
- Is a further discussion required at a future COSEG?

Andrew Wallace

COOLING-OFF PERIOD

Recap from last meeting

- Our high level aim is to provide clarity on the interaction between the cooling-off rules and the transfer process to help promote fast, reliable and cost effective transfers
- EU Consumer Rights Directive sets out new cooling-off rules:
 - 14 days which cannot be waived
 - **BUT** new supplier can supply energy during cooling-off period with customer's express agreement ('express transfer').
 - **AND** customer will still be able to terminate contract within cooling-off period without termination penalties
- Suppliers cannot be prohibited from making this express transfer offer to customers
- Potential for customer to agree an express transfer, subsequently cancel contract within cooling off period but transfer is unable to be stopped

| Option | Description |
|--------------------|--|
| Scenario 1 | Transfer request is stopped |
| Scenario 2a | Transfer takes place and customer continues with new supplier (Supplier B) under deemed contract |
| Scenario 2b | Transfer takes place and customer returns to previous supplier (Supplier A) on original contract terms |
| Scenario 2c | Transfer takes place and customer returns to previous supplier (Supplier A) under deemed contract |
| Scenario 2d | <p>Transfer takes place and customer is given the choice to move to back to Supplier A or move to an alternative supplier (Supplier C).</p> <ul style="list-style-type: none"> (i) If chooses to be returned to Supplier A, will be on a deemed or original contract (as described under Option 2b or Option 2c); or (ii) If chooses to move to Supplier C, will be on a deemed contract with Supplier B until the transfer takes place. |

Evaluation of reform options

| Criteria | Option 2(a) Continues with Supplier B under deemed contract | Option 2(b) Returns to Supplier A on original contract terms | Option 2(c) Returns to Supplier A under deemed contract | Option 2(d) Chooses between Supplier A* or C |
|-----------------------------|---|---|---|--|
| Speed | Customers may not want to agree to express transfer given risk of deemed contracts rates applying if contract later cancelled | Customers potentially more likely to agree to express transfer given ability to be moved back to old contract | Customers may not want to agree to express transfer given risk of deemed contracts rates applying if contract later cancelled. | Customers potentially more likely to agree to express transfer given ability to move back to old contract or choose new supplier |
| Ease | Customers will need to understand they will not be put back in the position as if the contract had never been entered. Will also need to understand deemed contract terms to fully appreciate impacts of decisions. | Uncomplicated (if returns process works smoothly) | Customers will need to understand they will not be put back in the position as if the contract had never been entered. Will also need to understand deemed contract terms to fully appreciate impacts of decisions. | Uncomplicated (if returns process works smoothly). Some potential for confusion if customer is also able to choose to move to a different supplier. |
| Accuracy | No impact | No impact | No impact | No impact |
| Coverage | No impact | No impact | No impact | No impact |
| Consumer expectation | Not in line with consumers' expectations - not put back in position as if new contract not entered into. Will not protect consumers who make decisions under pressure (the reason for having cooling-off rules). | Meets consumers' expectations as opportunity to be put in position as if new contract was not entered. | Not in line with consumers' expectations - not put back in position as if new contract not entered into. Will not protect consumers who make decisions under pressure (the reason for having cooling-off rules). | Meets consumers' expectations as opportunity to be put in position as if new contract was not entered. Also allows customer to choose to move to a different supplier. |

Evaluation of reform options

| Criteria | Option 2(a) Continues with Supplier B under deemed contract | Option 2(b) Returns to Supplier A on original contract terms | Option 2(c) Returns to Supplier A under deemed contract | Option 2(d) Chooses between Supplier A* or C |
|------------------------------|---|---|---|--|
| Design flexibility | No impact | No impact | No impact | No impact |
| Integration | No impact | Process could be similar to existing Customer Service Returners process | Process could be similar to existing Customer Service Returners process | If return to Supplier A process could be similar to existing Customer Service Returners process |
| Design-robustness | No impact | Return under Customer Service Returners process. May require monitoring and enforcement | Return under Customer Service Returners process. May require monitoring and enforcement | If return to Supplier A, could return under the Customer Service Returners. May require monitoring and enforcement |
| Solution cost/benefit | No impact | Admin costs? | Admin costs? | Admin costs? Bill collection costs for interim supplier? |
| Implementation | tbc | tbc | tbc | tbc |

COSEG has been asked to:

- Identify any further options for discussion at today's meeting
- Review options against the Evaluation Criteria
- Identify any differences in approach required between
 - Smart and traditional meters
 - Domestic and non-domestic
 - Electricity and gas
- Identify any links and dependencies that should be taken into account
- (Suppliers) provide data on when contract are cancelled

ROUNDTABLE DISCUSSION

- Summary and actions
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- Is a further discussion required at a future COSEG?

Andrew Wallace

SUPPLY POINT NOMINATION (GAS)

Recap from last meeting

- Our high level aim is for suppliers to be able to access the (accurate) data needed to transfer a customer
- Supply Point Nomination process provides Supply Point data and transportation rates for LSP transfers
- Mandatory process prior to a Supply Point Confirmation
- Consumption and capacity information also submitted for DM sites
 - Any increase in capacity leads to a Referral to the GT
 - NDM capacity changes are requested post transfer

- Supply Point Offer response requirements
 - 2 working days unless a Referral is made
 - 12 working days where a Referral is made
- In 2012 (source: Xoserve)
 - 3,745,193 Supply Point Nominations (of which 3,382,114 accepted)
 - Response within hour when no Referral made
 - 576 cases passed through Referral process
 - 83% returned within 12 working days

| Option | Description |
|-----------------|--|
| Option 1 | Shorten response timescales |
| Option 2 | Web-based shipper look-up/enquiry service |
| Option 3 | Greater use of Supply Point Enquiry Service |
| Option 4 | Only allow DM referrals once CoS completed |
| Option 5 | Make inclusion of the Supply Point Offer reference code elective in the Supply Point Confirmation process for LSP sites. |

Evaluation of reform options

| Criteria | Option 1: Shorten response times | Option 2: Web-based service | Option 3: Use Enquiry Service | Option 4: Remove Referral process | Option 5: Make process elective |
|-----------------------------|---|---|---|--|--|
| Speed | Potentially faster (although Xoserve turn around quickly in practice) | Fast access controlled by shipper | Same response standards as Nomination process | Potentially quicker CoS for DM sites | Remove dependency from transfer process |
| Ease | No impact | Supplier could discuss data issues and transportation rates as part of sales conversation | No impact | Might reduce customer certainty on ability of shipper to meet contract | No impact |
| Accuracy | No impact | No impact | No impact | Might reduce customer certainty on ability of shipper to meet contract | Would suppliers reflect and potential uncertainty (eg on transportation rates) in contracts? |
| Coverage | No impact | No impact | No impact | No impact | No impact |
| Consumer expectation | Potentially faster transfer | Potentially faster transfer | No impact | Potential uncertainty on whether contract requirements can be met | Potentially faster transfer |

Evaluation of reform options

| Criteria | Option 1: Shorten response times | Option 2: Web-based service | Option 3: Use Enquiry Service | Option 4: Remove Referral process | Option 5: Make process elective |
|------------------------------|---|--|---|-----------------------------------|--|
| Design - flexibility | No impact | Removes dependency from COS for LSP sites | Removes dependency from COS for LSP sites if Nomination process removed/not mandatory | No impact | Removes dependency from COS for LSP sites |
| Design – robustness | No impact | Would require access controls | No impact | No impact | Process retained as option – therefore no impact |
| Integration | No impact | Potentially added to SCOGES? | No impact – shifts focus to the performance of the Enquiry Service | No impact | No impact |
| Solution cost/benefit | Low central costs No changes to existing shipper systems | tbc – potentially added to SCOGES? Would require change to existing shipper systems | Low central costs Would require change to existing shipper systems | Low central costs | |
| Implementation | tbc | Tbc | tbc | tbc | |

COSEG has been asked to:

- Identify any further options for discussion at today's meeting
- Review options against the Evaluation Criteria
- Identify any differences in approach required between
 - Smart and traditional meters
 - Domestic and non-domestic
 - Electricity and gas
- Identify any links and dependencies that should be taken into account

ROUNDTABLE DISCUSSION

- Summary and actions
- Is further information required to support COSEG's assessment of the reform options?
- Is a further discussion required at a future COSEG?

DATA QUALITY

- Our high level aim is for the core industry data that supports CoS to be accurate. This supports fast, accurate and cost effective transfers.
- Requires effective arrangements for updating and maintaining core industry data
- Stakeholders report that data quality issues are having an impact on the CoS process.
- We want to explore what tools that should be used to ensure data is accurate.

Reported concerns on data quality

- Address data
 - Can delay transfers or result in an erroneous transfer
- Meter technical data
 - Meter read may be interpreted incorrectly or delayed
 - Impacts of customer bills and settlement accuracy
- Domestic/non-domestic flag
 - Implications?
- Any other key areas of concern on data quality?

- Existing obligations on data quality e.g.
 - GTs and DNOs for address data (shipper updates in gas)
 - Agents and suppliers (and shippers in gas) for MTD
- ...but poor commercial incentives to update central systems?
- Opportunities to improve data through:
 - Smart meter roll-out, visits to every domestic and small business premises, review and improve address data.
 - Smart meters will be able to remotely provide meter technical data.
 - Reform proposals on centralised registration systems, with electricity and gas being held and managed in one place
- Further measures required?

Option 1: Industry self governance

- Role of industry to have in place effective measures to maintain accurate data.
- Could include: industry code mods to clarify roles and responsibilities, specific measures to improve quality and an effective performance assurance framework
- Are there additional requirements for additional obligations and incentives?

Option 2a: New obligations on central service providers

- Potential for new/stronger obligations on networks/DCC to actively manage data quality?

Option 2b: New obligations on other market participants

- Potential for new/stronger obligations on other parties to update central records for sites in their portfolios?

Option 3a: New incentives for central service providers

- Potential for financial incentives on networks/DCC to maintain/improve data quality?

Option 3b: New incentives for other market participants

- Potential for financial incentives on other parties to maintain/improve central records for sites in their portfolios?

Option 4: Establish new body to improve data quality

- Introduce a new group under an industry code with responsibility for improving data quality
- Require an independent body (eg extending the scope of the TRAS) to be responsible for improving data quality

- Are there any further options that should be considered?
- Are there differences in approach required between
 - Smart and traditional meters?
 - Domestic and non-domestic?
 - Electricity and gas?

Further evaluation of options identified at next meeting

WRAP UP

- Review of work plan
- Date and location of next meeting
- AOB

COSEG work plan

| Purpose | 20/5 | 10/6 | 01/07 | 22/07 | 28/08 | 09/09 | 01/10 |
|--|--------------------------------|---------------------------------------|--|---|---|------------------------------|--|
| Initial discussion on options | Objection process | Erroneous transfers | Centralising registration services | Data ownership and governance | Change of tenancy flag | Outstanding issues | |
| | Confirmation window (gas only) | Data transfer and access requirements | Registration processes (inc cooling off period and gas nomination) | Access to metering data and support for metering market | Billing standards | Review of end-to-end process | |
| Further discussion on options and evaluation | | Objection process | Erroneous transfers | Centralising registration services | Data ownership and governance | Security keys | Outstanding issues |
| | | Confirmation window (gas only) | Data transfer and access requirements | Registration processes (inc cooling off period) | Access to metering data and support for metering market Gas nomination | Billing standards | Review of end-to-end process Draft info request |

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