



Interim supply: A consultation on process amendments

We have reviewed the proposed amendments and overall we are supportive of the changes. We agree that they achieve better alignment, consistency and clarity across the Code documents by streamlining definitions, applying the process through CMOS and codifying elements of the process which were until now informal.

We agree that the proposed changes to the WRC and the MAC further the principles and objectives of the WRC and MAC.

We have spotted the following minor typos:

WRC 3.3 and 3.4 – there has been a change from alphabetical references to numerical ones, and some have been missed. 3.3 “Step A” should be “Step 1” and similarly in 3.4.5 “Step C” should be “Step 3”.

WRC Definitions: “Interim Duty Supply Point” contains “the” which should be deleted.

One aspect of the process that could be improved further to encourage more Retailers to opt-in to an interim supply event, would be to include within the information notice in section 5.3.2 of the Interim Supply Code more information to all Retailers. Ideally this would include the anticipated number of Interim Duty Supply Points, which wholesale areas they are located and as much further detail available. The current process only makes this information available to Eligible Licensees i.e. once they have already opted-in at the point the Notice of Relevant Cessation of Supply is issued by the Authority.

It would also be useful to clarify what happens where a customer has a credit balance and then gets transferred to another Retailer through the interim supply process. Is the credit balance transferred with the customer? If not, the customer will feel that they have already paid their bills and are likely not to pay again to their new Retailer.

Given the complexity of the interim supply process we suggest that it would be useful if Ofwat and MOSL provided some market training (perhaps on-line) for trading parties to familiarise themselves with the revised requirements. The focus should be on what trading parties need to do and when in order to participate in these processes. A greater understanding may encourage more participants. It would be helpful if the process diagrams also covered the opt-in and suspension processes.

With respect to the two additional questions on i) submission of Transfer Reads following an interim supply event and ii) customer rights to switch away following an interim supply event, we offer the following comments:

Submission of Transfer Reads following an interim supply event

a. What is your view of the current timeframes for submission of Transfer Reads (set out in section 5.1.10 of CSD 0004)? In providing views on this, please set out what you consider to be an appropriate timeframe, the reasons for this, and any perceived customer detriment where this is an extension to the current limitations.

Our experience is that the current timescales for submission of Transfer Reads as set out in section 5.1.10 of CSD 0004, namely one month for monthly read meters and three months for bi-annual read meters, are challenging. This is because of capacity constraints within meter reading service providers on top of the time needed to complete the interim supply process. That said, in this circumstance (and more so than a normal customer transfer) it is particularly important to get meter reads quickly to align charges between the incoming Retailer, the outgoing Retailer and the customer. Estimating reads are likely to be difficult if the outgoing Retailer has left the market and an estimate could be very different to what the customer has been previously billed. To improve the situation for customers, where meters have AMR or logger devices for wholesale purposes then the Wholesaler should be required to provide these to the relevant timescales to reduce the volume of physical meter reads that the Retailer needs to obtain. As a further backstop, if the Retailer cannot get a meter read within the required timescales, then the Wholesaler should be required to obtain a meter read. With this in place, we would retain the current timescales and create some additional flexibility by adding in “or such longer period as agreed by the Authority”.

Customer right to switch away

- a. How long does it generally take to on-board a customer? Is this timeframe different where the customer has voluntarily moved to the Licensee in comparison to under the interim supply provisions, or gap site provisions? If yes, please provide details.*
- b. Do you have any experience of Affected Customers switching away having been Allocated following an interim supply event? If yes, please provide details.*
- c. If you have one, does your current Interim Supply Scheme provide details to Affected Customers of how they can switch Licensee? If yes, please provide details.*
- d. Do you think the ISC should state when a new Licensee is able to continue the supply of services from the Interim Licensee? Do you consider that there are potential advantages and disadvantages (both for customers and Licensees) of codifying this requirement?*

Our experience is that this seems very unclear. We have experience of customers who were allocated to an Interim Supplier but wanted to switch to Wave within three months of the Designation Date. They were prevented from doing so by CMOS which rejected our Transfers, despite being told (and the Ofwat website confirming) that they were able to switch away. The rejection code “Interim Duty Supply Point” didn’t provide much information as to why the transfer was not possible and what needed to occur in order to resolve the situation. This did not provide a good customer experience.

There are risks associated with being an Interim Supplier, and customers switching away in short order is one of these risks. However, preventing customers from switching away for a period removes customer choice, does not provide a good customer experience and is not in the spirit of the competitive market.

We have incorporated Wave’s Interim Supply Scheme within our Deemed Contract which makes it clear that customers are entitled to transfer to other licensed suppliers or negotiate a contract with us.

The on-boarding process is the same whether customers come through the interim supply, gap site or normal transfer process. The factor which determines the time needed for on-boarding is the number of SPIDs involved and the resources available. For normal customer transfers, the number of SPIDs is known and planned in advance with resources made available as needed. Gap sites are generally quite low in numbers so can be managed within BAU resources. An interim supply event would be unplanned and therefore resources would

need to be made available to on-board. Availability of (and accessibility to additional) suitable on-boarding resources would be a factor in an Interim Supply Capacity Statement. On balance, it would seem beneficial for the Interim Supply Code to make it clear when a customer can switch away from an Interim Supplier so that there is greater clarity for all relevant parties.