

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

CONSULTATION RESPONSE FORM

Respondent information		
Your name	Kevin Woollard	
Your company	Centrica	
Type of company	Supplier	
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Confidential Y/N	<i>No</i>	

Please:

- Email your response to dwgsecretary@elexon.co.uk by **08:00 (8am)** on **8 July 2019**, using the subject line 'DWG transition consultation response'.
- Use this response form where possible to make it easier for the DWG to identify and summarise views.
- Provide supporting reasons for your answers to help the DWG understand your response.
- Identify clearly which, if any, aspects of your response are confidential. We will not publish any information marked as confidential, or share this with the DWG. However, Ofgem will see all responses in full. We encourage you to provide non-confidential responses where possible, to inform the DWG's discussions.
- Email ELEXON's MHHS team at dwgsecretary@elexon.co.uk with any questions.

The DWG will consider your responses and deliver its final report to Ofgem during summer 2019.

Question 1	Do you agree with the DWG's proposed mapping for Metering System types to Market Segments?
Please list any elements that should amended.	
Answer: Yes	
Whilst we agree in principle with the proposed mapping for Metering Systems to Market Segments, it is noted that the consultation document is silent on the arrangements for the CVA market and suggest that consideration is made to document the proposed impact on this sector.	

Question 2	Do you believe it is feasible to use the elective HHS process to migrate significant numbers of MPANs to HHS as an interim step in the transition process?
Please identify what changes you believe would need to be implemented to use Elective HH as an interim step and/or any issues you have noted with the current elective process which are a barrier to using it as an interim step.	
Answer: No	

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

Question 2	Do you believe it is feasible to use the elective HHS process to migrate significant numbers of MPANs to HHS as an interim step in the transition process?
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Centrica agrees with the DWG's views that the existing elective process was designed to cater for a limited number of customers wishing to avail of certain Time of Use tariffs and have Suppliers offering these tariffs. It was designed to complement the existing NHH arrangements and would require further analysis to confirm whether the existing processes require improvements to meet a scale not originally envisaged.

Centrica supports the DWG's summary comments that improvements to the elective process could be considered, however, some of the costs incurred in using this process to migrate significant numbers to HHS would be additional to the TOM implementation costs. This is especially relevant to the notion that smart meters currently serviced by the Smart Meter System Operators will eventually be serviced by the DCC once a decision on SMETS1 adoption is made.

Question 3	Do you agree with the PAF Assumptions and Principles and that all the potential impacts on the PAF have been identified?
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Please identify any omissions.

Answer: Yes

Yes, we agree that with the PAF Assumptions and principles

We note that the full extent of the potential impacts on the PAF may not be known to date. However, we are assured that the new Performance Assurance Framework has the potential to flex to address any new risks identified in the transition to MHHS.

Question 4	Do you agree with the phased approaches proposed for BSC and Registration Systems?
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Please identify any issues and dependencies with the proposed approaches.

Answer: Yes

Yes, we agree we agree with the principle of a phased approach as this will limit the potential risks.

The DWG concluded that progress is dependent on faster switching being in place which suggests that the implementation timings require continual review to ensure that there is no detrimental impact on settlement by beginning transition too soon to the proposed end state too soon.

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

Question 5	Do you agree with the phased approach proposed for the Smart and Non-smart Market Segment?
Please identify any issues and dependencies with the proposed approach.	
Answer: Yes	
Nothing further to add beyond what is in the TOM.	

Question 6	Do you agree with the phased approach proposed for the Advanced Market Segment?
Please identify any issues and dependencies with the proposed approach.	
Answer: Yes	
Nothing further to add beyond what is in the TOM.	

Question 7	Do you agree with the phased approach proposed for the Unmetered Market Segment?
Please identify any issues and dependencies with the proposed approach.	
Answer: Yes	
Nothing further to add beyond what is in the TOM	

Question 8	Do you agree that the critical path captures all the key activities and dependencies?
Please identify any omissions, issues and dependencies with the proposed approach.	
Answer: Yes	
The critical path appears to capture the key activities and dependencies. We appreciate that additional activities/dependencies may be identified as the transitional arrangements are implemented.	

Question 9	Do you agree with the DWG's proposed approach for transitioning to the revised Settlement Timetable?
Please identify any issues with the proposed approach.	
Answer: Yes	

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

Question 9	Do you agree with the DWG's proposed approach for transitioning to the revised Settlement Timetable?
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We support DWG's view that a key dependency would be the penetration of smart meters and agree with the documented rationale that:

- transition to the reduced Settlement timetable would ideally occur after changes to the BSC Central Settlement Services have gone live;
- the decision on how and when to reduce the Settlement timetable could be taken nearer the time, based on market monitoring against trigger points.

In addition to the above, we would recommend that further analysis is completed on the impact of adjusting the settlement timeframes. It would be prudent to evidence the market wide benefits and to document the impacts that the proposed changes will have on participants before a final decision to change is made.

Question 10	Do you agree that the DWG's proposed Dispute Timetable and approach to materiality strikes an appropriate balance between shortening timescales and correcting material Settlement errors?
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Please identify any issues or risks with the proposed approach.

Answer: Neutral

The suggested Disputes Timetable of 20 months from the settlement data seems sensible based on the analysis to date and is less than the current standard of 28 months.

We support the materiality threshold principle and note that responsibility for setting the levels is deferred to the PAB or TDC to make a final determination.

Question 11	Do you agree that the DWG's proposed transition approach aligns with the nine High Level Transition Principles set out for the transition approach?
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Please identify any areas of the approach that do not align with the principles.

Answer: Yes

We agree that the proposal is aligned to the nine high level transition principles.

Question 12	Do you have any other comments?
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Answer: No