

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

CONSULTATION RESPONSE FORM

Respondent information		
Your name	Tom Chevalier	
Your company	Power Data Associates Ltd	
Type of company	Party Agent	
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Confidential Y/N	No	

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	
<i>The three segments are sensible</i>	

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: N/C	

Question 3	Do you agree with the PAF Assumptions and Principles and that all the potential impacts on the PAF have been identified?
Please identify any omissions.	
Answer: No	
<i>The PAF is not a static framework but an evolving arrangement. It would be naïve to assume that all risks have been identified. The risks will continue to emerge as the transition progresses.</i>	

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Question 4	Do you agree with the phased approaches proposed for BSC and Registration Systems?
Please identify any issues and dependencies with the proposed approaches.	
Answer: Unsure	
<p><i>The proposals do not have any timescales associated with the activities so it is difficult to determine the optimum sequence. The transition will be dependent on a range of factors:</i></p> <ul style="list-style-type: none"><i>on the penetration of smart metering to replace existing NHH metering</i><i>the speed that the industry and/or Ofgem wish to progress, which might become clearer after the Ofgem RFI</i><i>the penetration of micro generation which is currently distorting the settlement arrangements and may require early SP level settlement of export consumption</i><i>changes to the registration systems which are expected to follow the faster switching implementation</i><i>other changes being considered and progressed by the industry</i>	

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: N/C	

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: N/C	

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	
<p><i>The unmetered segment is peculiar for several reasons:</i></p> <ul style="list-style-type: none"><i>The NHH unmetered sector requires bespoke and often manual processes & dataflows which are much simpler and more conventional for stakeholders in the HH sector. This is currently preventing many suppliers entering the sector subsequently limiting the competition for customers.</i><i>A small number of customers have a very high energy volume.</i>	

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Question 7	Do you agree with the phased approach proposed for the Unmetered Market Segment?
<ul style="list-style-type: none">Unlike the metered segments there is no threshold which requires HH trading, as a result there are a number of Megawatt customers operating in the NHH profiled sector with consequent errors in settlement. There is nothing to stop all the existing HH reverting to NHH trading. A simple governance change could remedy this anomaly quickly.The small number of unmetered customers means that all of the unmetered segment could move to HH settlement early in the transition plan without significant change.	

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: Broadly	
<i>The responses to Q4 reflect the view that without more detailed planning it is not clear what the critical path is, or importantly its timescale.</i>	

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: Broadly	
<i>The implications of reducing the settlement timescales are embedded in every business process, in the unmetered segment the reduction of the RF run would prevent unmetered customers submitting inventories backdated a long time, but that should result in more timely submissions.</i>	

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?
Please identify any issues or risks with the proposed approach.	
Answer: Yes	
<i>The Disputes process could, and should, adopt a value/time framework now. This approach makes sense and its implementation does not need to be delayed.</i>	

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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?
Please identify any areas of the approach that do not align with the principles.	
Answer: Yes	
<i>Please provide your reasons here</i>	

Question 12	Do you have any other comments?
Answer: Yes	
<p><i>Two aspects are missing from the current transition plan:</i></p> <ul style="list-style-type: none"><i>• A broad timescale for the transition</i><i>• Some initial early transition changes – 'quick wins'</i> <p><i>While it is not possible to develop a detailed transition timetable it should be possible to determine a broad indicative timetable which would allow business decisions about changes (such as improvements to the elective arrangements) to be determined. It would also inform industry of the investment/change timescale, particularly when considering new changes by the industry or individual stakeholder changes.</i></p> <p><i>Attached is a draft timeline, which requires further work, but is seeking to draw out in simple manner a framework which could illustrate the transition timescale.</i></p> <p><i>The transition should also consider changes that can be done early in the process to enable the benefits to be gained early, such as the Disputes changes and the HH settlement of all unmetered customers. Particularly when no system change is required, simply some governance changes.</i></p>	