

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

CONSULTATION RESPONSE FORM

Respondent information		
Your name	Bryan Heap	
Your company	Electricity North West Limited	
Type of company	Electricity Distribution	
Contact details	Bryan.Heap@enwl.co.uk	07500 849220
Confidential Y/N	No	

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 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: Yes	
<p>We agree with the proposed phased approaches to transitioning the governance and systems although detailed planning would be required for interface testing, Go-Live etc. We do not believe that the Registration System changes could not be progressed until post implementation of the Faster Switching arrangements and any relevant industry code changes would also need to be considered. Many of these have significant lead times.</p> <p>We note the DWG view that Ofgem will make the bulk of any required Code and Governance changes after the final decision on MHHS using their powers under the Smart Meters Act 2018. Our concern is that these changes include unmetered supplies and the Act only allows the Authority to modify agreements and codes "for the purposes of enabling or requiring half-hourly electricity imbalances to be calculated using information about customers' actual consumption of electricity on a half-hourly basis".</p> <p>Ofgem will need to ensure that this is the correct route for the modifications.</p>	

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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>Whilst the overall approach to the transition is appropriate, it is important to recognise the scale of the challenges associated with each stage. The Phase 1 proposals requiring the review and cleanse of the data, is likely to be a difficult process as customers are not a party to the BSC and therefore, may not be willing to transition in a timely manner. There also may be customers who are unwilling to participate in the process. DWG needs to factor this risk/issue into the planning process.</p> <p>I'm concerned with the statement that "UMSO and MA will adapt their systems to provide Summary Inventories and Control files in common defined formats". My understanding is that these are already in place. Will DWG be looking to replace the current practices? If so there will be an associated cost with very little benefit.</p> <p>Under Phase 2 of the transition, DWG places an action on UMSO and SMRS to "rationalise MPANS where a customer has more than one under the existing NHH arrangements. There are some instances where customers correctly have multiple MPANs as they have different Line Loss Factors (LLFs) associated with different elements of their unmetered inventory. Each MPAN can only have one LLF. Some customers will therefore need more than one MPAN. Some customers also have separate MPANs for billing purposes i.e. a local authority may have separate MPANs where separate budgets are in place for example, street lighting, traffic, seasonal/festive decorations etc.</p>	

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: No	
<p>We do have some concerns regarding impacts and potential consequences for other key industry systems. The critical path must consider the timing implications for changes to BSC Central Systems and the associated key industry systems. It would be helpful if the RFI scoping call planned for 15th July 2019 had an agenda item on consequential system impacts in terms of both costs and timing.</p>	

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	
<p>We agree that the approach matches the nine transition principles.</p>	

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Question 12	Do you have any other comments?
Answer: Yes	
<p>We have noted our concerns with regards to the transition of the Unmetered Market segment. It is important that the DWG carefully considers the dependency on customers providing information and responding to new obligations when they have no incentive to do so. This is likely to cause significant work for DNOs.</p>	