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Dear Will

ENERGY MARKET INVESTIGATION: PROVISIONAL DECISION ON REMEDIES

Thank you for the opportunity to comment on the provisional decision on remedies published by the Competition and Markets Authority (“the CMA”) on 17 March 2016 in respect of its energy market investigation.

We are responding in our capacity as the Transporter Agency (“the Agency”), providing services for and on behalf of the principal Gas Transporters (“the GTs”) that discharge certain of their Licence and industry Code obligations. We operate and maintain gas industry central systems and services that provide a single point of interface between GTs and Shippers, delivering supply point registration, transportation invoicing, energy balancing and settlement services, and a number of information services to industry participants.

We note that the provisional decision includes a proposal to place an order on Xoserve “to give PCWs access upon request to the SCOGES database on reasonable terms and subject to satisfaction of reasonable access conditions” (paragraph 6.174 (b) refers). Whilst we have no objections in principle to the data that we hold being made more widely available, we are bound by contract to hold the data securely and confidentially, reflective of requirements on our customers to comply with relevant statutory and contractual obligations. Indeed, we have declined previous requests for access to data because of these constraints.

We are concerned that we would be unable to comply with the order as currently envisaged, and we would suggest that it may be more appropriate for the order to be placed on the parties on whose behalf we hold the relevant data. Those parties would then be responsible for bringing forward amendments to relevant industry Codes (whilst also ensuring compliance with relevant statutory obligations) and instructing Xoserve to make data available to relevant parties.

Our role in giving effect to this aspect of the CMA's decisions would focus on working in close collaboration with PCWs to clearly define their data requirements, engaging on solution options, and drawing up the appropriate contractual arrangements for the data provision service. We would also need to have a clear definition of a PCW in order that we can ensure that data is made available only to those parties who have the necessary access rights.

We note also that the provisional decision proposes that PCWs should have access to data from the start of 2017 (paragraph 6.180 refers). We have a major commitment to the delivery of Project Nexus gas settlement reforms and implementation of the new UK Link system by October 2016, which the CMA itself has recommended as a remedy to the Gas Settlement AEC (paragraph 11.6 (a) refers). We would want the CMA to be aware that, pending discussions with PCWs, we anticipate that to introduce PCW data access services would impact the new UK Link system, and that changes to this central system in the short term are not capable of being developed without a consequent deferral of Project Nexus delivery.

We are happy for this response to be published.

Yours sincerely

Nick Salter
Director, Customer Engagement