

npower
EMI (Gas Tariff Codes) Undertakings 2016
Response dated 10 November 2016

1. npower is supportive of the intent of the Undertakings and, as the CMA is aware, it has already submitted the Modification Proposal to the SPAA to initiate this change.
2. npower recognises that the Modification Proposal would need to be approved by the end of the year in order to comply with the statutory timeline of the CMA investigation. If the proposal is not approved by then, the Undertakings will need to be signed on the understanding that they will become redundant when the Modification Proposal is approved. The Modification Proposal is scheduled for approval at the SPAA's November Change Board meeting.
3. The Modification Proposal has been updated to reflect the requirements detailed in Article 4 of the Undertakings.
4. At the SPAA meeting on 3 October 2016, Siemens the Prepayment Meter Infrastructure Provider (PPMIP) confirmed there would be 179 tariff pages available by Q3 2017, at which point npower understands the Undertakings will be terminated in line with Article 8.2.

Part 2 - Undertakings to Relinquish Tariff Pages

Article 3. Restriction on the Number of Tariff Pages Held at any one Time

5. npower is pushing for the Modification Proposal it submitted to the SPAA to take effect from the end of 2016. However, the effective date will ultimately be set by the SPAA Change Board. Once the SPAA changes are implemented, npower understands the Undertakings will be redundant in line with Article 8.3.

Article 4. Obligation to Comply with Directions to Relinquish Tariff Pages

6. npower considers that, pursuant to Article 4.1(a), unused whole tariff pages could be relinquished within the proposed 30 days. Where there are some tariff codes in use on the tariff page to be relinquished, npower considers that the proposed additional 90 days will allow sufficient time for suppliers to migrate customers to new tariff codes on different pages. However, this is subject to customers vending twice.
7. The first vend would pick up the supplier's message to change tariffs codes. The second vend acknowledges that the meter is using the correct tariff code. Messages are only valid for 28 days, although they can be issued more than once. Not all customers will vend within a 28-day period. For example, if a customer bulk purchases gas for six weeks at a time, this could result in a period

of 12 weeks before the migration to the new tariff code is confirmed. If the supplier relinquishes the tariff page prior to receiving all the meter acknowledgements, the supplier will need to ensure the message to change tariff codes remains live – otherwise the customer would start to be charged on the new supplier rates, since any message the new supplier sends regarding changing the prices for the tariff code will be reflected on the customers' meter once they vend.

8. npower would ask the CMA to confirm npower's understanding that, in a scenario where a supplier receives an instruction to relinquish a tariff page pursuant to Article 4.2(b) on 1 June 2017, it will have 150 days to do so; however, on 1 October 2017 new pages will be available from Siemens, which means that the Undertakings will fall away and the supplier would no longer be required to relinquish the page.