

Corporate Response Form 'Third Package' Consultation URN 10D/727 Open: 27/07/2010 Close: 19/10/2010	
Name:	[REDACTED]
Organisation:	BBL Company
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Consultation Questions	
<b>Chapter 1 – Consumer Protection</b>	
1	Consultees are invited to comments on Government proposals to implement the consumer protection measures of the Third Package. -
2	In respect of the requirement to switch customers within three weeks, subject to contractual terms, we propose to put in place a new Licence Condition requiring the new supplier to give new customers a 14 calendar day period after the contract has been entered into, to consider whether they wish to proceed with this. Unless the customer notifies the supplier they do not wish to proceed, the Licence Condition will require the new supplier to give customers the right to change their mind within 14 calendar days and then be switched within three weeks, subject to outstanding debt (and, in the case of non-domestic customers, contractual conditions). Do consultees agree with this proposal? -
3	Do consultees consider that the requirement on supply undertakings which are not registered in Great Britain, to provide a GB address for the service of the documents, poses any difficulty for these suppliers? Evidence of costs to these suppliers would be particularly welcome. -
<b>Chapter 2 – Transmission and Distribution Networks</b>	
4	Do you have any comments relevant to our consideration of which unbundling models should be available in the GB market? -
5	Do you have any views or concerns with how we intend to apply these new Third Package requirements on TSOs and DSOs?

**Response to question number 5:**

DECC proposes to set out in legislation the requirements for ownership unbundling with some obligations reflected in licences as appropriate. We support the general idea of the licence regime which has worked well in the past and was an adequate means to enforce legislation. In any case, a flawless interpretation should be ensured. With respect to BBL Company which has been built on the basis of a regulatory exemption we would especially ask DECC for a clarification in the legislation or to include in the licence a provision to cover the roll-over of existing exemptions into exemptions from ownership unbundling in order to create certainty for BBL Company.

**Chapter 3 – Gas Infrastructure**

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| <b>6</b> | <b>Should the Gas Directive requirements for storage and LNG operators be introduced through a new licence regime or by amending existing legislation? Please provide evidence of costs and benefits wherever possible. -</b> |
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**Chapter 4 – Role of the National Regulatory Authority**

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| <b>7</b> | <p><b>Implementing binding decisions</b></p> <p>For the reasons we have set out in the consultation document, the Government proposes to replace the current collective licence modification objection arrangements with a process that allows Ofgem to reach its decisions subject to appeal to an appropriate body. This would reinforce Ofgem's power to make decisions in accordance with their powers and duties under the Third Package, and would give all licensees the same right of appeal. Ofgem's decisions, as now, would need to be reached following consultation and subject to the principles of better regulation. This proposal would include all Ofgem licence modification decisions and not only those covered by the Third Package. We would be grateful for your views on these proposals. -</p> |
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**Chapter 5 - Cross border co-operation**

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| <b>8</b> | <b>Do you have any views or concerns with how we intend to introduce the regional co-operation elements of the Third Package?</b> |
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**Response to question number 8:**

The Third Package makes clear that cooperation between Member States is pivotal in creating an internal European market. The Gas Regional Initiative is a good platform. However, for BBL Company bilateral contacts between the Dutch and British Ministries are of great importance, as becomes clear from the Treaty between the two governments. Close contacts between both the regulatory authorities as well as the governments are crucial in order to keep the regulatory regimes aligned and ensure delays are not experienced in the reaching of decisions. This will remain a task of the NRAs as the responsibilities and role of ACER are clearly defined in the Regulation 713/2009, and ACER will only act in case the authorities cannot reach agreement, or upon a joint request from the NRAs.

**Impact Assessment Questions**

**These are partial Impact Assessments containing our initial qualitative assessment of the costs and benefits. We therefore would welcome any quantitative evidence to support the further development of these impact assessments. Any information provided will be treated with sensitivity and anonymity.**

**Consumer Switching**

9	Are the assumptions made as part of this Impact Assessment correct and have we correctly identified the costs and benefits associated with this measure? -
10	The Government would welcome any information that could improve our analysis of the costs and benefits highlighted in this Impact Assessment, and specifically any evidence regarding: supplier systems changes, monitoring costs, administrative burdens, the number of extra erroneous switches which may occur as a result of our proposals, the cost of manually stopping the switch and any information regarding the number of customers that currently fall outside the 3 week switching period defined (excluding the cooling-off period). -

### **Consumer Information**

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| 11 | Are the assumptions made as part of this Impact Assessment correct and have we correctly identified the costs and benefits associated with these measures? -  |
| 12 | The Government would welcome any information that could improve our analysis of the costs and benefits highlighted in this Impact Assessment, and specifically any evidence regarding: whether the record keeping requirement imposes additional costs (system costs and administrative costs) on industry; an estimate of the scale of these costs; and any evidence regarding the costs associated with passing on consumption and metering data to another supplier. - |
| 13 | What would be the additional costs to the industry for providing the additional information to consumers in terms of complaints handling/dispute settlement arrangements available by the supplier? -   |

### **National Regulatory Authority**

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| 14 | Are the assumptions made as part of this Impact Assessment correct and have we correctly identified the costs and benefits associated with these measures? -  |
| 15 | We would welcome any information that could improve our analysis of the costs and benefits highlighted in this Impact Assessment, and specifically any evidence regarding; the monitoring, enforcement and administrative costs involved and any evidence regarding the indirect costs on industry of these measures. - |

### **Transmission and Distribution**

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| 16 | Are the Impact Assessment assumptions on the costs to TSOs of complying with the new TSO certification process realistic (both for those seeking derogations and those not doing so)? -  |
| 17 | The Impact Assessment assumes that ensuring the independence of the compliance officer for DSOs requires little additional action on the part of the affected DSOs. Your views including evidence of costs would be appreciated. - |

### **Gas and LNG Operators**

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| 18 | Are the assumptions made as part of this Impact Assessment correct and have we correctly identified the costs and benefits associated with these |
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	<b>measures? -</b>
<b>19</b>	<b>What specific changes to current practice will be required to comply with articles 15 (unbundling) and 16 (confidentiality) of the Directive? What are the likely costs of making these changes? -</b>
<b>20</b>	<b>Articles 15, 17 and 19 of the Gas Regulation specify that certain operational information must be made publicly available by 'technically and economically necessary' LNG and storage sites. What are the likely costs involved in making this information publicly available? -</b>
<b>21</b>	<b>Article 22 of the Regulation outlines the requirement for contracts and procedures to be harmonised at 'technically and economically necessary' LNG and storage sites. What changes to current practices will, in your view, be required to achieve this and what are the likely costs of making these changes? -</b>
<b>22</b>	<b>We would welcome evidence on the costs and benefits of introducing a licensing regime for LNG and storage as opposed to introducing the measures through changes to legislation. -</b>

