Domestic Energy Suppliers

Date: 27th June 2024

PPM Levelisation Single and Multi-Metering Arrangements Request for Information

On 23rd February 2024, Ofgem published its decision to adjust (or 'levelise') the nil consumption price cap level for prepayment (PPM) and Direct Debit (DD) customers from 1st April 2024. This was supported by implementing a reconciliation mechanism to avoid distorting supplier competition and impacting specialist suppliers that the levelisation allowance would create.

This letter sets out our expectations for suppliers concerning the submission of data under Standard Licence Condition 5. We will require suppliers to provide the Authority with monthly data extracts of customer single-rate and multi-register data. The formal PPM Levelisation Single and Multi-Metering Arrangements Request for Information ("RFI") will be issued on the 1st August 2024, and the data will be used in future by the payment levelisation reconciliation operator (RECCo), for non-volumetric levelisation, to retrospectively reconcile suppliers and will be backdated to the beginning of the reconciliation mechanism on the 1st April 2024. This request will be temporary and will cease once RECCo is able to retrospectively reconcile suppliers in early 2025.

Our request is explained in more detail below.

Background

On the 18th of March 2024, Ofgem wrote[1] to all domestic energy suppliers regarding calculating electricity base levelisation rates. The letter set out our interim solution, which is to derive a blended base levelisation rate, intending to fulfil the policy aims set out in section 6.30 of the Levelisation Policy document[2].

In the letter, we outlined that once the multi-register differentiated system is ready, RECCo will undertake a retrospective reconciliation process based on the individual levelisation rates for single-rate and multi-register consumers. This will be backdated to 1st April 2024 to settle any differences in the reconciliation payments made to and from suppliers under the interim solution.

We also informed suppliers that Ofgem will request additional data through the RFI by the end of the year detailing the number of meter points on single-rate and multi-register tariffs for each fuel type and payment type, backdated to 1st April 2024. As such, we requested that suppliers preserve this data to share as part of the RFI.

Data Submission

[1] View open letter here

[2] View decision here

Until a multi-register differentiated system is ready and implemented by our non-volumetric reconciliation operator, RECCo, Ofgem will request this data, under Standard Licence Condition 5. The specific information and format Ofgem are requesting can be found in Annex 1.

Ofgem will issue the initial RFI on the 1st August 2024. The initial submission should contain all requested data, backdated to and including 1st April 2024. Subsequent data submissions should only contain the requested data for the relevant submission period.

The subsequent regular RFI will be issued on the 1st of every month and suppliers should upload the data to the requested site no later than the 15th of every calendar month. Further instruction will be detailed in the RFI.

Ofgem expects suppliers to submit the requested data in the format as set out in Annex 1. We consider non-compliance with RFIs to be a serious matter and will not tolerate late or poor responses to RFIs, including those containing incomplete or inaccurate information.

Impact on Suppliers and Retrospective Reconciliation

Once the multi-register differentiated system is ready, RECCo will undertake a retrospective reconciliation process based on the individual levelisation rates for single-rate and multi-register consumers backdated to 1st April 2024 to settle any differences in the reconciliation payments made to and from suppliers under the interim solution.

The RFI will be temporary and Ofgem will not require suppliers to submit this data to us once RECCo have implemented the functionality to ingest this data into their systems. However, suppliers will be required to submit this data to RECCo as part of their existing monthly data submissions under the levelisation reconciliation mechanism set out in Schedule 31 of the REC.

The data held in the RFI sent by suppliers to Ofgem will be crucial in determining the accuracy of the retrospective reconciliation that RECCo will run in early 2025. Ofgem will conduct a cross-analysis of data being submitted for the upcoming RFI and the data submitted to RECCo under Schedule 31 of the REC to determine its accuracy.

Next Steps

Ofgem will issue the RFI on the 1st August 2024. As written above, the RFI submission should contain all relevant data in the format shown in Annex 1. The initial submission should contain all data backdated to 1st April 2024. Subsequent RFI submissions should be a snapshot of each individual requested month. The RFI will contain more information on where the RFI return can be uploaded, the deadline by which suppliers must submit it, and any other steps suppliers must take before submission.

We are happy to discuss any questions or receive any comments you have about this letter or the upcoming RFI at Levelisation_Delivery@ofgem.gov.uk.

Yours sincerely,



Melissa Giordano
Deputy Director, Retail Systems and Processes

Annex 1

Code	Region	Meter Arrangement	Traditional PrePayment Meter Points	Smart PrePayment Meter Points	Direct Debit Meter Points	Standard Credit Meter Points	Total Meter Points	Date Applicable	Date Extracted	Date Supplied
	east_midlands									
	east_england									
	london									
	midlands									
	merseyside_and_north_wales									
	north_west									
	north_east									
	north_scotland									
	south_east									
	southern									
	south_scotland									
	south_wales									
	south_west									
	yorkshire									