



## **COMMENTS ON OFGEM DOCUMENT 'COMPETITION IN ELECTRICITY METERING SERVICES – INDUSTRY GUIDANCE V 1.1, March 2003'**

### **THE EA METERING FORUM**

1, The EA Metering Forum is a trade association open to owners and operators of electricity metering assets. It is an unincorporated association to which Electricity Association Services Limited provides the Secretariat and specialised collective services on behalf of members, mainly connected with interfacing to UK and European legal metrology bodies and with representation on standards bodies.

2. The following is a public domain response to the above document. It is additional to any individual comments which may also be submitted directly by Member Companies

### **GENERAL**

3. The principle of providing clarification on the interpretation of legislation relating to competition in electricity metering is to be applauded as a useful initiative. Obviously, this being the first such issue, elements considered to be of most importance have been covered. There are some matters where EAMF members would equally appreciate guidance which have not been included and these are referred to either in commentary on particular sections or in final comments in the hope that, in some future version, they might be addressed.

### **ELECTRICITY ACT, SCHEDULE 7, PARAGRAPH 1**

#### **Supplier's consent for a customer to provide his own meter**

4. The legislation was written in 1992 at a time where, except for very large customers, there was no competition in supply, ie a supplier was always there as incumbent. In the case of a new supply today, a supplier may not automatically be in place. Suppose a customer who wished to be awkward indicated that he wished to provide his own meter but he had not appointed (or even did not intend to appoint) a supplier. Who would provide consent?

5. The underlying question here is what legislation compels him to appoint a supplier? Paragraph 4 of Schedule 6 implies that he is taking supply illegally if he does so "other than in pursuance of a contract made with an authorised supplier" but there are no penalties set out for this, other than that the distributor "shall be entitled to recover.... the value of that supply so taken".

6. In providing his own meter, the customer also requires the consent of the distributor to connect that meter to the distribution network (for which consent an offer must be made under Distribution Licence Condition 8) and, where the meter completes a connection to the

customer's installation, consent to connect this to the network (Electricity Safety, Quality and Continuity Regulations, Regulation 25). Where a supplier has been appointed and where an accredited MO is making the connection, the Electricity Industry (EI) has agreements in the first case through the Meter Operation Code of Practice Agreement, which is also in the process of being extended to provide equivalent arrangements in the second case. Where there is no supplier, or if an accredited meter operator cannot be insisted upon, there are potential problems. Attachment 1 is a 'tongue in cheek' illustration of this.

### Grounds for refusing consent

7. At the time of the amendment to allow customer provision of a meter, the Electricity Industry voiced its serious concerns about the implications for safety and security of meters so provided. These were not incorporated into the legislation but a 'letter of comfort' was issued by the (then) Director General about the criteria which, if not adhered to, would constitute supportable grounds for refusal [Stephen Littlechild to Baroness Gardner of Parkes, 11 March 1992]. Many of the concerns would be addressed if the supplier could insist that the meter be fitted by an accredited meter operator (but see 10 below)

8. It is therefore interesting to note the substance of paragraph 3.5 setting out some criteria which Ofgem would take into account in arbitrating on any dispute about consent. However, whilst it is felt to be helpful, it keeps to the matters which are covered by legislation and does not address the detail which is needed. It refers to 'industry standards' when, in fact and apart from the legislative matters referred to, there are no such standards other than company specific procedures. The EI has always been concerned about the criteria for refusal and, prior to 1998 a proposal was put to the (then) Theft and Site Attendance Working Group for a Code of Practice on customer self-provision. A copy of a draft of this is provided as Attachment 2. **The EI did not take this up and it was never agreed as a formal industry standard hence it should not be construed as a valid EI document.** It is also in need of updating but is provided to give a flavour of what might be a useful basis for agreement as to the reasonableness or otherwise of refusing consent.

9. Points made in the draft document which are still valid include:-

- Paragraph 1 (3) of Schedule 7 allows that the meter shall be installed in a position determined by the supplier unless it is more reasonable to place it somewhere else. Who is to determine what is reasonable?
- How is the customer to demonstrate that the meter is certified? How is the supplier (who may not have been the supplier at the time the meter was fitted) to know when that certification period has expired?
- How are ancillary devices such as a timeswitch or radio teleswitch handled? There is no right of a customer to provide these, as paragraph 1 (2) refers specifically to 'the meter'.
- Can a customer-owned meter be removed as per Paragraph 7 or 8 of Schedule 6 or Paragraph 11 of Schedule 7?
- Can the supplier insist on the fitting of security devices (blocks, concentric tails)?

### Who instals?

10. Attachment 2 was written in the presumption that the customer or his agent would instal the meter. If a meter could only be installed by an accredited meter operator, this would remove some of its concerns about safety and security (for instance, the right of a supplier to require sealing of the terminal block). This is therefore welcomed by EAMF members if it can be upheld. **However, it needs to be clear what is the legislative support for this.** The use of accredited agents is an agreement between industry parties – how can it apply to a customer who is not a party to such agreement? Where is the specific

statutory basis? Distribution Licence Condition 8.4 requires that the licensee shall not discriminate against any person or classes of person requesting an agreement to connect metering equipment. Is requiring ELEXON accreditation for him or his agent discriminating against those who do not have it?

## **ELECTRICITY ACT, SCHEDULE 7, PARAGRAPH 10 (1) AND (2)**

11. The use of the word 'maintenance' is, in retrospect, unfortunate. NHH meters are not maintained as such, by an ELEXON accredited person nor anyone else. Hence there are no 'industry standards' for the carrying out of maintenance. ELEXON's Code of Practice 4 calls for periodic on site tests but this is stretching the term 'maintenance'. On site recalibration might fit the term but, in practice cannot be carried out on modern static meters. Also, the Code is really only applied to HH meters.

## **SUPPLY LICENCE**

### **Conditions 1 and 3**

12. No comment

### **Condition 7**

13. Distributors have been required to publish their Charging Statements in relation to Condition 36 to an agreed Ofgem format. It would be interesting to know if similar requirements have been placed on suppliers and how these are being enforced.

14. The views of Ofgem on transfer of meters upon change of supplier (3.14 – 3.16) are noted. However, EAMF members are either not subject to Supply Licence Conditions or are agents of a supplier acting under their instructions. As a matter of general principle they feel that this is a matter for commercial agreement between the parties concerned. There is more to this than just ownership, for instance what arrangements should be made for return to its owner of a meter which is removed (and should this be part of any commercial agreement)? The Meter Operator Code of Practice Agreement has specific provisions in this respect but it is an agreement between Distributors and (what will be) MAMs. Any MAP/MAM or distributor/MAP activity has been ruled out of scope.

### **Condition 47**

15. As 14 above

### **Condition 53**

16. No comment

## **DISTRIBUTION LICENCE**

### **Condition 2**

17. No comment

### **Condition 36**

18. Although the footnote to 3.26 suggest that 1(a) relates to MAP and 1(b) to MOp, the Condition does not use these terms. With regard to the last sentence, the clarification is useful but, presumably, if a distributor wished to do this based on a commercial decision he could do so?

19. It is taken as read that a distributor's ability to offer separate MAP/MAM services as referred to in 3.28 is dependent on changes to BSC procedures which are currently in process.

### ***Other Points***

#### **ELECTRICITY ACT, SCHEDULE 6, PARAGRAPH 4**

20. 4 (2) (b) was apparently written for the case where a customer 'illegally' connects a supply without a meter, and allows that the distributor "shall be entitled to recover.... the value of that supply so taken". However, as mentioned in 5 above, there appear to be no penalties within the clause relating to this. Clause 4 (2) (a) refers to someone reconnecting his supply without authority, which is often done with a meter in place so that the meter is recording the value of the supply. 5 (2) states that this is a scale 3 offence. It seems perverse that, within the Act, an illegal connection without a meter is not an offence but to reconnect through the meter is! Paragraph 11 (1) of Schedule 7 does not apply as there is not a meter.

['Illegal Abstraction' is a specific offence under Section 13 of the Theft Act, 1968, defined in terms of being 'dishonestly used without authority']

#### **SUPPLY LICENCE CONDITION 17**

21. There has been debate at the New Metering Technology Working Group about the interpretation of this, particularly 2 (b), since 'associated equipment' could include the distributor's cutout. Strictly speaking, according to Schedule 6 of the Act the Supplier (or his agent) has no rights of access in respect of distributor's equipment (Paragraph 7 separates entry rights as per (1) for distributors and (2) for suppliers). Are suppliers' agents supposed to avert their eyes or not report faults on distribution equipment? This would be in conflict with Supply Licence Condition 16 [and vice versa distributors' staff with Distribution Licence Condition 7].

## Attachment 1

# Reasonable grounds for withholding consent to connect a supply

### Basis of concern

Regulation 25(1) requires the consent of a Distributor for any party to connect to his network, which consent may be withheld under grounds set out in Regulation 25(2). These do not cover some other reasons why a Distributor might wish to withhold consent. The Guidance Document says that “if the Distributor withholds his consent for the connection for other reasons, then he will have to be acting reasonably in so doing” but refers to 25(2) which does NOT include this rider (it gives only two bases for action). DTI has made it quite clear that it will involve itself ONLY in disputes relating to withholding of consent on grounds of safety ie the criteria of 25(2).

### A little story

A customer asks a Distributor to give consent for him (the customer) to connect his new installation. The Distributor says “why are you asking me? Your Supplier will arrange this.” The customer says “I haven’t got and don’t want a Supplier. Here is a certificate from an accredited NICEIC electrician to confirm that my installation conforms to the IEE Regulations. Please connect it as you are required to do under the ESQC Regulations”. The Distributor says “No. How do I know that there is a meter there? It is reasonable for me to refuse consent because there may be a breach\* of Schedule 7 of the Electricity Act”. The customer says “There is an approved, certified and appropriate meter there, properly installed and here is a copy of the certification record. Now please consent for me to connect my installation as you are required to do under the ESQC Regulations.” The Distributor says “No. You haven’t got a Supplier and the meter will not be registered into Settlement”. The customer says “I have studied the Electricity Act, the ESQC Regulations, and other associated pieces of legislation. Please tell me where it says I have to have a Supplier before you will consent to connect?”

The Distributor says “you have obviously missed clause 4(2)(b) of Schedule 6 of the Electricity Act which says that, without a contract in place with an authorised supplier, you would be taking supply illegally and I am entitled to recover the value of the supply so taken.” The customer says “Fine – send me a bill. Now will you give consent to connect?”

The Distributor says “Who is going to make the connection? How do I know that he has sufficient knowledge, experience and training to be able to avoid danger in connecting your installation to my cutout? The customer says “It’s my brother-in-law. He’s retired now but he was a jointer with the [X] Electricity Board for 30 years. Now please give your consent to connect.”

At this stage the Distributor runs out of reasons to refuse consent and an installation is connected with a meter which will not be read.

### Conclusion

Would any of the above constitute ‘reasonable grounds’ to withhold consent? Presumably they would be if the customer ‘fell down’ at any stage, ie no certificate for the installation, no meter or untrained agents. Whilst the above might be an unlikely scenario at the domestic customer level, it certainly might be a possibility at the commercial customer level.

Would it be enough to refuse consent to prevent ‘illegal taking of supply’ under Schedule 6? Clause 4 does not actually suggest that this is an offence and does not give the Distributor powers to disconnect the supply unless it is an unauthorised reconnection of a (previously) disconnected supply (clause 5(3)).

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\* It is a moot point who is in breach if there is no Supplier involved!

## **ATTACHMENT 2**

(Note: See point 8 of the submission for the context of this document, which was originally presented to the Theft and Site Attendance Working Group in November 1995, subsequently modified in 1998)

### **BASIC GUIDELINES FOR THE PROVISION OF AN ELECTRICITY METER BY A CUSTOMER OUTSIDE THE PROVISIONS OF THE METER OPERATION CODE OF PRACTICE AGREEMENT.**

#### **Part 1:- General**

##### **1. PURPOSE AND SCOPE**

Following amendments to the Electricity Act 1989 to allow a customer to provide his own electricity meter, the Electricity Industry has been concerned that the high technical and safety standards of installation and maintenance of metering equipment followed by each of the previous Public Electricity Suppliers (PES) should not be compromised in any new arrangements relating to meter provision.

Guidelines as to the installation of meters for customers who elect to appoint a Meter Operator and install a meter compliant with certain metering codes of practice are contained in the Meter Operation Code of Practice Agreement (MOCOPA) which covers agreed safety and technical standards. However, there is no legal requirement for a customer to appoint a Meter Operator or, indeed, even an agent (tradesman) with electrical qualifications or experience.

These Guidelines therefore set out the procedural, technical, safety and security considerations which should as a minimum be complied with in order to ensure acceptable standards for the metering installation of a customer exercising his right to provide his own meter. They do not address the question as to the desirability of such customer provision being conditional upon evidence of the competence of the meter installer.

##### **2. LEGAL REQUIREMENTS/PROVISIONS**

###### **2.1 Electricity Act 1989**

The Electricity Act 1989 was amended by the Competition and Services (Utilities) Act 1992 to allow a customer to provide his own meter by agreement with his supplier, such agreement not to be unreasonably withheld [Schedule 7, para 1(2A)]. The meter must be an approved meter (see 2.2) and, in the case of a domestic customer, must be certified (see 2.3).

Other sections of the Act provide for rights of entry/inspection by a supplier or his agents to inspect his equipment on the customer's premises and to read the meter. There are also rights given to the supplier to disconnect the supply of electricity if a meter (or any other part of the customer's installation) is 'not in good order' such that there may be danger, which includes damage and/or interference with a meter.

*[grey area as to whether a customer owned meter can be removed for examination?]*

## **2.2 Meters(Approval of Pattern and Construction and Method of Installation) Regulations 1988**

The Meters (Approval of Pattern or Construction and Method of Installation) Regulations require that a meter type be approved as to its pattern and construction by the Electricity Meter Examining service of Ofgem, which maintains a register of such meters.

As regards fixing and connection, the regulations require that a meter be fixed "...in an upright position to a firm surface" and shall be connected according to the manufacturer's instructions. These are indicated as a wiring diagram, generally within the terminal block cover.

## **2.3 Meters (Certification) Regulations 1998**

The Meters (Certification) Regulations require that a meter be calibrated and certified according to criteria laid down therein. Each meter must have a certificate, on which are recorded the results of calibration tests and the date when the certification was carried out.

Each meter has a specified period for which certification is valid, after which the meter must be withdrawn from service.

## **2.3 Electricity Supply Regulations 1988**

*[to be revised in light of new Electricity Safety, Quality and Continuity Regulations – the previous Regulations use 'supplier' where 'distributor' is meant]*

The Electricity Supply Regulations require that works on a customer's premises (eg the installation and connection of a meter) are carried out safely and to standards as specified in the IEE Wiring Regulations (BS 7671).

The Regulations also define the position of the 'point of supply', which, in the case of a meter provided by a customer, means the incoming terminals of that meter. In practice, the point of supply will be the outgoing terminals of the PES cutout, or the outgoing terminals of an isolation switch provided by the PES between that cutout and the meter. The customer or his agent is responsible for providing the connections from the point of supply to his meter.

The Regulations also allow for the supplier, without prior notice, to discontinue supply in the event that his employees find that work carried out on a customer's installation is, or becomes, unsafe and constitutes danger; the procedures for this and for appeal are detailed therein. In order for the supplier to be able to discharge its responsibilities under these provisions it is essential that the it is notified of any work which is carried out on a customer's premises.

## **Part 2:- Initial Provision**

### **3. NOTIFICATION/PROVISION OF INFORMATION**

#### **3.1 General Notification of Intent**

The customer shall notify the supplier of his intention to provide his own meter; [a standard form is available for this purpose and a model is given as Appendix 1]. Failure to notify may invoke an objection from the supplier to self-provision, which could result in the need retrospectively to remove the meter.

General advice about conditions for self-provision are contained within these Guidelines. The supplier may be prepared to provide further advice free of charge but more detailed or site-specific advice, if requested, will be chargeable.

### **3.2 Type of Meter**

The meter provided must be capable of displaying the tariff agreed with the customer, and the supplier reserves the right to object to the installation of any meter which is not so capable. This capability must extend to compatibility with any control equipment such as a timeswitch or Radio Teleswitch which is a necessary part of the tariff.

NOTE: The customer may not provide a Radio Teleswitch as control of such a device must remain with the supplier for technical and security reasons.

Where supply is currently offered only through a prepayment meter, the supplier reserves the right to disconnect and withhold supply if a credit meter is substituted.

### **3.3 Notification of Installation**

The standard form allows that a supplier's representative need not attend the installation of the meter if carried out for the customer by a qualified electrician on an approved register held by the supplier. If such an agent is not to be used, the supplier reserves the right for its representative to attend to ensure that the conditions of these Guidelines are met, and a charge will be made for this.

Attention is drawn to the possibilities of retrospective action (see above) if notification requirements are not met. Attention is also drawn to requirements regarding the existing meter removed [or left on site] (see 6)

### **3.4 Essential Information**

Following installation, the following should be provided to the supplier by the customer or his agent:

- details of the meter (reference number, make/type, etc)
- details of the meter certificate
- date of need for recertification
- initial reading(s) of the new meter(s)
- final reading(s) of the previous meter(s)
- a statement by the installer that work has been carried out to the standards of the IEE Wiring Regulations

This information may be provided on a standard form, [a model of which is given in Appendix 2].

In any dispute relating to the final readings of a replaced meter, .....[to be completed]

## **4. SITING**

A meter must be sited such that it is accessible to a representative of the supplier in order that it may be read; it must also be sited in a location free from damp or dust, and not within 3 feet of a supply of water.



Attention is drawn to the right of the supplier to agree the meter position: in case of any doubt as to the suitability of a site, advice should be sought at an early stage.

If the proposed site of a new meter varies from that of the existing one, then the customer is responsible for providing the connections from the location of the distributor's cutout to the meter location. In cases where the distance between a meter and a cutout exceeds [6 feet], then this connection shall be carried out using pyro, armoured cable or similar materials.

## **5. INSTALLATION**

### **5.1 General**

The practices of the IEE Wiring Regulations shall be followed during installation. Installation shall be carried out by a person having sufficient knowledge to avoid danger and sufficient technical knowledge of the Wiring Regulations.

### **5.2 Practical Considerations**

A meter shall be firmly fixed to a firm surface (see 2.2 above). This is construed to mean that a meter should be fixed to a **meter board**, being constructed of chipboard to BS xxx. The board on which the distributor's cutout is fixed should not be used unless prior agreement has been obtained.

Cables used for connection shall be plastic-double insulated, red and black [or grey on red and black) with a minimum size of 16 mm<sup>2</sup>, unless conditions require other materials (see 4 above)

The supplier retains the right to inspect the installation, to confirm its safety and to assess the standard of workmanship.

## **6. SECURITY**

On completion of the work the meter terminal block and the cover(s) of any distributor's equipment to which connections have been made shall be sealed/resealed using a secure system, such as bowden cable/copper ferrule.

Some suppliers require additional security measures which they may wish to be applied: in these cases ..... [?]

The supplier retains the right to inspect security measures taken and to remove customer-applied seals, to replace them with its own seals and carry out any additional security measures which it sees fit. [Such work will not be chargeable to the customer].

The supplier will advise whether an existing meter shall be left in situ or shall be removed. In the latter case, the customer is responsible for providing to the PES the final reading of the removed meter and for keeping it in a safe place until collected [returning it to the PES1.

## **Part 3:- Changes/Modifications**

### **7. REPLACEMENT**

Where a customer-owned meter is replaced by another meter to be owned by that or a succeeding customer, then the requirements to notify the supplier and provide information

about the new meter and readings of both old and new meter as in 3.1, 3.3 and 3.4 shall apply.

## **8. REMOVAL**

Where a customer owned meter is to be removed and not replaced by another customer owned meter (eg should a customer move and take his meter with him), then the supplier shall be notified as in 3.1 and 3.3 and its representative shall attend to confirm the final reading(s). [This shall not be chargeable to the customer.]

The supplier shall take up with the incoming customer the arrangements needed to provide metering of the premises.

## **Part 4:- Other**

### **9. DAMAGE/INTERFERENCE**

At the time of installation of a meter, the customer shall notify the supplier of any apparent signs of damage or interference with equipment, particularly its meter, and shall not touch such equipment or proceed with installation of a new meter until the supplier's representative has had an opportunity to assess the situation.

At any time following installation, the customer shall likewise notify the supplier of any damage or interference occasioned to its equipment.

Disputes arising in this area shall be dealt with according to the Revenue Protection Policy operated by the supplier, in keeping with the Statement on Meter Interference and Damage, issued by the Customer Services Directorate of OFFER (now Ofgem).

Attention is drawn to the supplier's or the distributor's Rights of Entry where it is suspected that an installation may be unsafe due to damage or that interference has taken place, such rights being enforced, if necessary, through a Magistrate's Warrant.