

# Review of Electricity Metering Arrangements – Industry Seminar

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# Purpose of REMA seminar

- To give visibility to the new arrangements
- An opportunity to ask questions
- It is not...
  - an opportunity to re-open debate
  - a technical workshop

# REMA – put into context

## Metering Strategy – March 2001

- **One objective**

To enable shippers, suppliers and customers to exercise choice over how they obtain metering services

- **Two themes**

Getting the basics right

Promoting new entry and new investment

- **Seven workstreams**

# The workstreams

- DNO charges/REMA
- RGMA
- Transco price control
- Contractual flexibility
- Visible metering charges
- Innovation
- Accreditation

“The Basics”

“The Promotion”

# Why REMA...

- DNOs currently default provider of NHH meter operation
- Separation of MAP and MOp
- Protect supply competition
- Support competition in electricity metering services
- Improve customer service and choice
- Reduce costs

# Regulatory Issues

- Regulatory framework is sufficiently robust to support metering competition
- Guidance published March 2003
  - Aimed at clarifying aspects of regulatory framework
  - Focused on standard licence conditions (SLC) 7 and 47 of electricity supply licence
  - Clarified scope of obligations under SLC 36B of electricity distribution licence
- 10 industry responses have been received

# Guidance # 1

## Guidance – not statute

- SLC 7 of the electricity supply licence
  - Definition of “owned”
  - Licensee to offer to enter into an agreement for provision of metering equipment
  - Licensee not to enter into an agreement which is likely to restrict, distort or prevent competition in the supply of electricity

## Guidance # 2

- SLC 47 of the electricity supply licence
  - Licensee has no right to recover a meter that it owns from a customer's premises on change of supply
- SLC 36B of the electricity distribution licence
  - Licensee not obliged to offer to enter into an agreement to provide the separate elements of the MOp service listed in paragraph 1(b) of SLC 36B on an ad-hoc basis

## Guidance # 3

### Issues Ofgem may have regard to...

- Whether the licensee had made transferring a customer more costly or slower to any significant degree
  - Technical specification (i.e. age, condition, innovation)
  - Bulk provision
  - Calculation of regulatory charge/prices
  - Meter ownership transfer/meter leasing process
  - Potential contract “lock-in”