



*Bringing choice and value
to customers*

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Dear Alan,

Competition in Electricity Metering Services - Industry Guidance v1.1

Thank you for your response, dated 24 April 2003, to Ofgem's document 'Competition in Electricity Metering Services – Industry Guidance v1.1'. As you may be aware, Ofgem has recently published an updated version of this document to reflect comments made by respondents, a copy of which can be obtained from Ofgem's website.¹ In updating the document, we have considered all responses and clarification has been provided in the document where necessary. The following is intended as a response to the points you made in your letter. A copy of this letter has been placed on Ofgem's website.

Ofgem note in your response your concerns regarding customers owning their own meter. It was not the intention of the document to specifically address issues relating to customers owning their own meter, as currently there are a very small number of customers who have chosen to do so. However, should the number increase significantly Ofgem will review the situation.

Nonetheless, with regard to customers owning their own meter we have clarified a number of points in the document. In particular, we have added an explanation of standard licence condition (SLC) 8 of the electricity distribution licence, Provisions Relating to the Connection of Metering Equipment, and we have clarified why a supplier may have reasonable grounds to refuse a request from a customer to provide their own meter if the meter operator is not accredited. These amendments are made at paragraphs 3.5 and 3.26 of the updated document, version 2.1.

With regard to SLC 7 of the electricity supply licence, you questioned whether there is a requirement on a supplier to publish a metering charging statement, as there is for electricity distributors. I can confirm that there is currently no such requirement within any supplier's licence. However, ex-PES suppliers operating 'in-area' do have the obligation to publish a

¹ www.ofgem.gov.uk/ofgem/work/index.jsp?section=/areasofwork/meteringstrategy

charging statement in a form approved by Ofgem for prepayment meter services (commonly termed PPMIP).

You stated in your letter that, while you noted Ofgem's views on transfer of meters upon change of supplier, EAMF members are either not subject to supply licence conditions or are agents of a supplier acting under their instructions. SLC 7 of the electricity supply licence applies to all suppliers and Ofgem has clarified in the updated document that where a supplier contracts with a third party, that supplier may choose to discharge their obligations under SLC 7 through that third party. However, this does not in any way reduce the supplier's responsibility to meet their licence obligations. Neither can it be held up in mitigation in the event of a licence breach. It is likely, therefore, that suppliers will look to meet their obligations under SLC 7 through their contract with their third party meter provider.

In addition, in your letter you also questioned what arrangements should be made for return of the meter to its owner. SLC 47 requires that when a customer changes supplier and the customer requires a new meter, the outgoing supplier, where they are the 'owner' of the meter, will remove the meter from the customer's premises as soon as reasonably practicable following a written request from the incoming supplier. What parties do outside this situation, such as a supplier exchanging a meter outside the change of supply process, is to be agreed commercially between the parties concerned.

With regard to SLC 36B of the electricity distribution licence, you refer to the statement in paragraph 3.26 (3.28 in version 2.1) of the original document, namely, that "Ofgem currently considers that SLC 36B does not oblige an 'in area' distributor to offer to enter into an agreement to provide the separate elements of the MOp service listed in paragraph 1(b) of standard condition 36B on an ad-hoc basis". However, this only means they are not obliged to provide such a service; it is open to distributors to offer to provide such a service to suppliers if they wish. Indeed, many are offering to enter into contracts for Urgent Metering Services (UMetS).

I hope this clarifies some of the points raised in your letter. If you have any further questions please contact me on the above number or my colleague Claire Tyler on 020 7901 7331.

Yours sincerely

David Howdon
Deputy Head of Metering