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to customers*

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Dear Andrew

### **Competition in Electricity Metering Services - Industry Guidance v1.1**

Thank you for your response to Ofgem's document 'Competition in Electricity Metering Services – Industry Guidance v1.1'. Ofgem has recently published an updated version of this document, which can be found on Ofgem's website.<sup>1</sup> 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 made in your letter. A copy of this letter has been placed on Ofgem's website.

In your letter you stated that where a supplier removes a meter from one MAP and installs a meter from another (other than on change of supplier) the supplier has an obligation to return the meter to the original MOp. You further stated that this should be clarified within the document. Whilst Ofgem recognise that the Meter Operation Code of Practice Agreement (MOCOPA) contains a paragraph stating that a supplier should return the meter to the original Meter Asset Provider (MAP), it was not Ofgem's intention to cover in the document codes of practice between those providing metering services. The document was intended to be an overview of, and guidance to, the legislative and licensing framework relating to the provision of metering services by licensees.

In addition, in your letter you stated that EMED will only offer MOp services on meters provided by EMED or on those provided by other MAPs, which are of the same types as those provided by EMED. You further referred to paragraph 7 of standard licence condition (SLC) 36B, which states that 'the licensee shall undertake each of the services referred to in paragraph 1 in the most efficient and economic manner practicable having regard to the alternatives available'. Ofgem considers that this does not imply the services should not be provided, but that the licensee will ensure that when providing the services they do so in the most efficient and economic manner practicable. Ofgem, therefore holds that the licensee is required to offer terms for MAP only, MOp only or MAP and MOp. However, Ofgem has clarified in the

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<sup>1</sup> [www.ofgem.gov.uk/ofgem/work/index.jsp?section=/areasofwork/meteringstrategy](http://www.ofgem.gov.uk/ofgem/work/index.jsp?section=/areasofwork/meteringstrategy)

document, in relation to paragraph 4(b) of SLC 36B, that in deciding whether it is inappropriate for the charges to be referable to the statements Ofgem would consider whether the service is required at a meter type not provided by the distributor and whether the distributor could have reasonably anticipated the demand for the particular MOp services.

Finally you highlighted your concerns regarding Urgent Metering Services (UMetS). The intention of UMetS was to provide for situations where the DNO had arrived at a customer's premises following a call to the DNO's emergency call centre expecting a network fault, but discovered a meter fault. Rather than walk away and leave the customer off supply, the DNO would replace or fix the meter. It is likely that this situation will occur, regardless of whether a supplier has appointed a meter operator to provide 24/7 cover. However, Ofgem have clarified in the document that if 'the arrangements with regard to UMetS fail to be adopted or not be sufficient, Ofgem will review the electricity regulatory regime with a view to consulting on any necessary licence modifications', rather than the emphasis only being on the distribution licence.

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