



*Bringing choice and value
to customers*

Mr Rob McDonald
Group Regulation Manager
Scottish and Southern Energy
Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Your Ref:
Our Ref: MBT/MET/ELE/28
Direct Dial: 020 7901 7420
Email: david.howdon@ofgem.gov.uk

11 August 2003

Dear Rob,

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.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 made in your letter. A copy of this letter has been placed on Ofgem's website.

In your letter you asked for clarification regarding standard licence condition (SLC) 47 of the electricity supply licence, which requires the outgoing supplier to remove a meter upon change of supplier where the customer and incoming supplier agree that a new meter will be installed and the incoming supplier has requested in writing that the licensee removes the meter. In particular, you asked whether it is correct that the incoming supplier can request that the outgoing supplier arranges for, and bears the cost of, removing the meter. Given that the outgoing supplier is obliged to remove the meter if the customer and incoming supplier agree that a new meter will be installed, Ofgem considers that this also includes the outgoing supplier incurring the cost for the removal.

Finally, in your letter you highlighted your concerns regarding new metering technology being used as a vehicle to tie in customers and you suggested that a review group should be initiated to establish how this should be dealt with going forward. Paragraph 6 of SLC 7 provides that the licensee shall not enter into any agreement with any customer or any other person to provide metering equipment to them which is intended or is likely to restrict, distort or prevent competition in the supply of electricity. Ofgem considers that this licence condition obliges the licensee not to install new metering technology which is solely intended or is likely to restrict, distort or prevent competition in the supply of electricity without providing compensating

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

benefits to customers. Therefore, Ofgem considers that it will not be necessary to set up a review group at this time.

If you have any further questions or comments on the updated document, please contact me on the above number or my colleague Claire Tyler on 020 7901 7331.

Yours sincerely

David Howdon
Deputy Head of Metering