Hello Steve,

I have the following comments with respect to the Review of Metering. The following comments are based on my recent experience as an auditor and consultancy work. My comments are from Tuffentech only.

1. **Accuracy of Bills.**
The emphasis in regulation, governance and standards appears to be centred around the control and utilisation of metering assets. The provision of a device that will provide an indication of the amount of energy that has been used is only a part of the measuring system. This will become more apparent as the provision of data through the greater use of remote reading, becomes more seamless and the opportunity for intervention reduces. The whole system provides a means for the Energy Supplier to render an account for the amount of energy used to the user but there is an assumption that if the meter is accurate, then the bill will be to. This is not the case. The introduction of smart metering will make invoicing more timely and reflective but it will not improve the accuracy of the bill. In fact whilst the excuse of the estimated account will be removed it will be replaced by the stack effect of a string of accuracy risks which will be applied continuously and covertly. In my opinion the review should be on billing of which metering would be a part. This is much more wide ranging but unless this is carried the introduction of smart may result in an introduction of industry issues that will grow exponentially.

2. **Effective Competition.**
Over the past 15 years the metering market has moved to a position where it could be argued it is fully competitive in terms of the provision of layered services. The introduction of competition inevitably drives costs down and should introduce more efficiency. This in turn should benefit consumers through the reduction of those costs. This can only be shown if it is proven that all the cost savings are passed to the consumer. This may be true in the early days of a competitive market but once it is established it is difficult to see where the consumer continues to benefit. Are we to assume that every Energy Supplier that manages to reduce the cost of its metering provision passes those costs onto the end user and that each time a MAM reduces its costs those are passed to the Energy Supplier. In fact with the increasing charge for the commodity the proportion of cost associated with metering has diminished which of course means that any benefit gained from a marginal gain in efficiency is invisible. Further more competitive markets inevitably result in a risk of gaming. For example the deliberate over sizing of assets to increase leasing revenue would be easy to do and difficult to police.

3. **Better Technical Governance.**
The separation of the OAMI process has resulted in a lack of visibility of meterwork for GasSafe. This could be easily remedied by introducing a notification scheme for meterwork, similar to the one used to meet the Building regulation requirements. This would give gas safe a pool of work that they could monitor and inspect where necessary.

This would highlight other areas where the situation could be improved. e.g. Standard of training and assessment.

4. **Consistent Data flows.**
There are significant issue with data flows in the industry some of the common problems are as follows:

- Inaccurate data being passed to DN Link and to MAM's - this particularly relates to where a meter has been installed at a plot address and this is not updated by the supplier/customer although the billing data is normally correct.
- IGT Sites - the industry data flows are not set up for dealing with data flows on IGT sites. There are particular issues for PEMS when undertaking work on an IGT site as where these meters are installed by parties other than the IGT they are not covered by PEMS or any other emergency contract.
- Evidence to suggest major failures under the C and D Regulations. Where meters were installed on a phase of a development but no MPRN's were created. Meter information is not passed to DN Link by the supplier. Significant delays in suppliers updating meters installed under PEMS.

These data flow problems are apparent at a time when data flows are low. These issue will be more serious when the smart roll out commences.

5. Industry Working Practices

Some industry practices have been introduced over the last few years to enable competition to go ahead. However these will need to be reviewed in light of the roll out of smart meters.

- Crossed Meters – Continues to be a major problem and are an issue in new developments and re-furbished properties where the meters are installed into banks or boxes and the outlet supply is run to a different address to the original meter installation.
- PEMS will be impacted with the introduction of SMART Meters - if the networks do not have a SMART meter what do they replace the smart meter witht?
- Similarly with the MPOLR, it is difficult to see how the networks are able to fulfil this obligation when SMART meters are introduced.
- The co-ordination of district incidents e.g. Water Ingress. Is a major problem that may be made more complicated with the advent of smart meters.

I hope these comments are useful.

Regards,

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