

Modification proposal:	Supply Point Administration Agreement (SPAA) Change Proposal (CP) 10/190: Process for the resolution of crossed meters		
Decision:	The Authority ¹ directs that this proposal is made ²		
Target audience:	SPAA Parties and other interested parties		
Date of publication:	19 May 2011	Implementation Date:	November 2011 scheduled release

Background to the change proposal

One type of error that may result in a customer receiving an incorrect bill is known as a 'crossed meter'. A crossed meter results in a customer being incorrectly billed for a meter for which they are not responsible, ie they receive a bill for a meter point whose unique identifier – the Meter Point Reference Number (MPRN)³ - is different to the MPRN for the meter point that is measuring the consumption at their premises.

Crossed meters are more likely to occur in adjacent properties or properties in the same block of flats. This may be due to errors in how a meter is assigned to particular premises, eg a customer is informed that a specific meter point is measuring the consumption at their premises, only to find that this is in fact being measured by a different meter point (with a different MPRN). This type of error may occur when metering equipment is first installed or when subsequent repair or renovation work is undertaken. We note that that Meter Installers must follow a code of practice⁴ to minimise errors occurring when installing or repairing the meter, therefore crossed meters are a rare occurrence.

Any customer query associated with a crossed meter is known as a 'crossed meter dispute'. It is imperative that such disputes should be resolved as soon as possible so that a customer only pays for the gas that they consume through their meter, and to minimise customer inconvenience.

A supplier typically identifies a crossed meter when a customer disputes a bill. To resolve a crossed meter dispute requires communication between the supplier that has incorrectly billed the customer, and the supplier that holds the supply contract with the customer and is responsible for billing the customer and reading their meter. This information would need to include details of the meter and premises in question, so that the supplier can identify the relevant customer within their customer database.

There is no set methodology on how this inter-supplier communication takes place and how a crossed meter dispute is resolved between the two suppliers. A trial involving multiple suppliers has taken place which involved suppliers agreeing and following guidelines for resolving a crossed meter dispute. The trial was considered successful by

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ An MPRN is a unique identifier for a particular metered supply point.

⁴ All Meter Installers should be Ofgem approved and are therefore required to follow a Code of Practice: <http://www.ofgem.gov.uk/Networks/Techn/Metrology/AssetMgmt/OAMI/Pages/OAMI.aspx>.

the suppliers involved. The guidelines used in the trial are not currently set out in formal industry governance.

The change proposal

This change proposal has been raised by E.ON Energy Ltd. It seeks to place rules, based on the guidelines that were used in the trial noted above, within formal industry governance as a mandatory schedule to the SPAA.

The proposed new schedule will set out the steps that each relevant supplier must take to resolve a crossed meter dispute. The schedule includes timescales within which the supplier will contact the customer and the other supplier involved in the dispute. It also specifies the information that must be provided to both the customer and the relevant supplier. This information will include the address and postcode of the relevant premises and the meter serial number and MPRN of the crossed meter.

The proposer considers that the addition of the proposed schedule better facilitates relevant objective (c), the promotion of efficiency in the implementation and administration of the supply point administration arrangements. It considers that by placing a crossed meter schedule under the formal governance of the SPAA, this change will increase the efficiency of resolving crossed meter disputes.

The Authority's decision

The Authority has considered the change proposal and has taken into account: the views of the SPAA expert group, the unanimous decision by the SPAA Change Board (17 March 2011) to accept this change proposal, and the responses to the SPAA consultation. After considering these views and the Change Report issued to Ofgem on 11 April 2011, the Authority has concluded that:

1. Implementation of the change proposal will better facilitate the achievement of the relevant objectives of the SPAA⁵; and
2. Consenting to the modification being made is consistent with the Authority's principal objectives and statutory duties⁶.

Reasons for the Authority's decision

We consider that this change proposal introduces a transparent and codified procedure to support timely and efficient dispute resolution. For this reason, we consider that this change proposal better facilitates relevant objective (c) and is neutral with respect to all other relevant objectives.

Some responses to the consultation expressed reservation over the timescales set out in the schedule. They consider that the short timescales for suppliers to resolve crossed meter disputes may not be sufficient as these disputes can be complex. We note that the schedule has been amended by the proposer in light of these comments so that it requires suppliers to 'undertake reasonable endeavours' to meet the required timescales.

⁵ As set out in Standard Condition 30.6 of the Gas Suppliers Licence, see: <http://epr.ofgem.gov.uk/index.php?pk=doc632861>

⁶ The Authority's statutory duties are wider than matters which the Change Board must take into consideration and are detailed mainly in the Gas Act 1986.

SLC 30.6(c) "the promotion of efficiency in the implementation and administration of the supply point administration arrangements"

We consider that having a well-designed, transparent and codified process for resolving a crossed meter dispute will support efficient dispute resolution.

We note that the proposed schedule has the characteristics of a well-designed and transparent process by including: common timescales, defined information requirements that suppliers must provide to each other and the customer, clear customer communication requirements and an escalation route for any dispute that cannot be resolved by the relevant suppliers.

We agree with the proposer that by placing a crossed meter schedule under SPAA governance should also ensure that crossed meter disputes are resolved more efficiently. The schedule would be under the governance and change control arrangement for SPAA and therefore crossed meter resolution would be standardised across all suppliers and any potential improvements to the process could be proposed, reviewed and, if approved, implemented for relevant SPAA parties.

We further note that the crossed meter dispute process introduced by this schedule has been trialled and demonstrated to be workable.

We consider that resolving crossed meter dispute is time consuming to both suppliers involved as well as the customer. As this change seeks to improve this process and minimise customer and supplier inconvenience, and for all of the reasons above, we consider that this modification better facilitates relevant objective (c).

Decision notice

In accordance with Clause 9 of the SPAA, the Authority consents to proposal CP10/190: 'Process for the resolution for crossed meters' being made.

Colin Sausman
Partner, Smarter Markets

Signed on behalf of the Authority and authorised for that purpose.