

Steve Rowe  
Smarter Markets  
Ofgem  
9 Millbank  
London  
SW1P 3GE

16<sup>th</sup> November 2011

Dear Steve

**Consultation on Transfer of Meter Asset Manager Scheme**

Our response to the questions set out in your consultation letter dated 5<sup>th</sup> October is attached.

We agree that there is no enduring requirement for the MAMCoP to be managed by Ofgem and we are satisfied that, although there are alternatives, the arguments to transfer that role to SPAA are sensible.

If you wish to discuss anything in our response please feel free to contact me or Andrew Pearson ([Andrew.pearson@britishgas.co.uk](mailto:Andrew.pearson@britishgas.co.uk)).

Yours sincerely,

Steve Briggs

Head of Regulation and Industry Codes  
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**Question 1. Do you consider that a MAM approval scheme remains appropriate for gas metering?**

- 1.1. Yes. The original rationale for the MAMCoP was to provide consumer protection and assure safety standards during a period of transition, but these requirements are enduring and no less relevant now that metering competition is established.

**Question 2. Do you agree that it is more appropriate for the MAM approval scheme to be managed by the industry rather than directly under Ofgem?**

- 2.1. Yes, the rationale for reform set out in your letter is persuasive and the successful operation of MOCOPA® proves that arrangements of the type proposed can be effective. It is not necessary or appropriate for the Authority to manage the scheme which has changed little in recent years and is, we agree, largely technical.

**Question 3. Do you agree with our policy proposal, to transfer the MAM approval scheme to the SPAA? If not, please set out what your preference would be and why?**

- 3.1. Yes, we are satisfied that the SPAA is an appropriate vehicle for governance of MAMCoP.
- 3.2. The MOCOPA® example is not entirely analogous to the proposed transfer of governance to SPAA. For there to be an exact parallel, the MOCOPA® would have to be mandated under Licence and would be governed under the Master Registration Agreement, which it is not. There is instead a Review Panel drawn from MOCOPA® members with the relevant technical and industry knowledge. Such an approach could also work for MAMCoP, but would require different membership, given the DNO involvement. The principal advantages of SPAA

governance over the MOCOPA® model are that it would tie the Code more closely to RGMA and would provide wider engagement in SPAA by suppliers and MAMs.

- 3.3. Your letter acknowledges that there are some challenges. For example, the Code is more technical than most other SPAA products and MAMs are not signatories to SPAA. It is not a simple transfer therefore and the SPAA will need to modify its arrangements to ensure that MAMs have a voice in the management of the Code that sets out their obligations. We believe this can be achieved, but that the existing change management processes in SPAA should remain. In the unlikely event of a MAMCoP change being blocked or materially changed in this process, a route of appeal for MAMs to Ofgem should provide an appropriate level of assurance.

**Question 4. Are there any advantages or disadvantages to our approach that we have not taken into consideration in this consultation, particularly in the context of the smart metering roll out? If so, please set these out.**

- 4.1. This is a period of development and change for metering and there should be benefit in the inclusion of MAMCoP in any consideration of 'consequential changes' stemming from the smart meter implementation programme. There are going to be technical impacts from the need to factor communications and dual-fuel into the installation process, requirements delivered through MAMs but with industry-wide impact. Bringing the MAMCoP under SPAA should provide coherence to the progression of the required changes, which could require more detail than the current SPAA reference, simply an obligation to comply with RGMA.
- 4.2. The revised governance can provide an opportunity to review the MAM installation process. A specific benefit could be to ensure that in the new connections process suppliers are registered in advance of meter installations taking place. This issue has been highlighted during the BPDG discussions of both the installation process and potential changes to legacy systems.
- 4.3. It is unclear from the consultation what future role, if any, is envisaged for the OAMI list held by Ofgem. We would welcome clarification on this point.

**Question 5. How do you consider the scheme should be managed and funded in terms of a Management Board and audits?**

- 5.1. We anticipate a requirement to increase the SPAA budget to cater for a small number of meetings though, in common with other SPAA committees, we would expect these to be picked up by industry through rotation of host locations by members. We

can anticipate an additional charge from the Code Administrator for support to MAMCoP activities but do not expect this to be significant in the overall budget.

- 5.2. We see no reason to amend SPAA funding arrangements
- 5.3. We would expect the registration and audit activities to continue to be fully-funded by the applicants and subjects of the audit.

**Question 6. Do you consider that the proposed licence drafting is appropriate to give effect to the proposed scheme transfer and ongoing governance?**

- 6.1. No, we are unclear how the concept of MAMs being ‘approved by the SPAA’ would work. It may be better to describe approval as being given against criteria within the MAMCoP, governed through the SPAA