



Response to consultation: Transfer of Meter Asset Manager Scheme: Policy Proposals and Proposed Modifications of the Standard Conditions of the Gas Supply Licence and Standard Conditions of the Gas Transporter Licence

We support the proposals to amend the governance arrangements for the gas Meter Asset Manager Code of Practice (MAMCoP). The current arrangements were introduced for expediency at the outset of the implementation of competition in gas metering and are no longer fit for purpose.

Moving the MAMCoP under the governance arrangements of the SPAA is sensible and aligns it with other industry governance arrangements that support the competitive gas metering market (e.g. the RGMA baseline).

SPAA is a more logical administration body for MAMCoP compared to the energy regulator. We would envisage the SPAA Executive Committee sanctioning the establishment of a specific workgroup to oversee the development of the MAMCoP. This would fulfil a similar role to the existing MAMCoP Management Board. The introduction of the MAMCoP into the SPAA would be similar to the recent development of SPAA to include more formal governance for the gas Pre-Payment Metering Infrastructure Provision (PPMIP) services which has been a success.

The SPAA change control process is open and transparent with the right of appeal and arbitration to Ofgem. Using this change control process would deliver significant advantages over the current governance arrangements for MAMCoP. We do not envisage that any changes to the existing SPAA change process would be needed. MAM's who would wish to suggest future changes to the MAMCoP would be able to ask their relevant Supplier to sponsor and facilitate the change in SPAA. This supports the 'Supplier Hub' principle as to how the market operates and helps Suppliers ensure their compliance with the obligations that are placed upon them under relevant legislation.

Our responses to the consultation questions:

Question One: Do you consider that a MAM approval scheme remains appropriate for gas metering?

Yes, a scheme for approving MAM is useful to the effective operation of the competitive gas metering market. It provides clarity to existing and prospective gas meter operators of what regulations and legislation apply to them and what they are expected to do. For gas suppliers, transporters and customers it provides a degree of certainty that a registered MAM has been audited and therefore should be competent in providing services.

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

Yes, Ofgem's primary role as an economic regulator for the energy industry does not make it an optimal choice of administrator of the MAMCoP and MAM approval scheme. The industry already has a number of established governance arrangements which are more suited to the requirements of administering and



governing these arrangements. SPAA is one of these and the logical choice as it already includes governance of industry processes that support the competitive gas metering market.

Question Three: 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?

Yes, we support the policy proposal to transfer the MAM approval scheme to the SPAA. Other alternative schemes would not offer the same level of transparency and accountability in their governance arrangements.

Question Four: 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.

During the initial phase of the DECC smart metering programme a number of issues were identified with the existing metering market that may be exasperated by additional meter exchanges and therefore impede upon the successful roll-out of smart meters. As these issues are not specific to smart metering they do not naturally form part of the on-going DECC programme but instead should be resolved within the existing gas metering governance arrangements. It would therefore be beneficial to enhance the governance arrangements around MAMCoP now and its inclusion within SPAA should facilitate this.

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

MAMCoP should form a new schedule to SPAA, be included within the existing SPAA governance and funding arrangements. Costs for the MAM audits can be recovered from individual organisations or via an alternative mechanism which SPAA parties may decide upon.

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

Yes, the proposed licence condition seems to meet the intended objective.