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Transfer of Meter Asset Manager Scheme: consultation on policy proposals and Proposed Modifications of the Standard Conditions of the Gas Supply Licence and Standard Conditions of the Gas Transporter Licence

Dear Steve

I am responding to this consultation on behalf of ES Pipelines Ltd (ESP), an accredited MAM and independent gas transporter. ESP has more than five years' experience of the MAMCoP accreditation scheme.

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

Yes. We believe that a continued MAM approval scheme is appropriate and necessary. This is one way to ensure the continued safety of GB gas metering installations, and will be even more important as MAM activity ramps up for smart metering.

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. We agree that whilst Ofgem's role was key in the establishment of the MAMCoP, its management would now more appropriately sit elsewhere, albeit with continued Ofgem oversight.

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?

ESP does not agree that the governance of the MAMCoP under SPAA is a realistic solution. MAMCoP is essentially a technical document, and in reality has a very different target audience to the existing SPAA. Whilst we agree with Ofgem's intent we have no evidence to suggest that SPAA is any more capable than Ofgem at providing relevant technical expertise.

MAMs are not signatories to SPAA and are not represented under the SPAA governance provisions. Continued accreditation under MAMCoP underpins a MAM's ability to trade. Therefore it is essential that MAMs have a voice on MAMCoP governance. Additionally, many MAMs are still small organisations and governance arrangements need to ensure that their views are fairly represented. This would not be the case if voting is based on volumes of meters installed.

The treatment of meters at industrial and commercial sites forms a significant focus of the MAMCoP and whilst supplier oversight of these areas may not be essential, we would expect

that I&C suppliers would be the most interested of all the suppliers in the workings of the MAMCoP, as they tend to require a more 'hands on' and focussed approach to metering on their more specialist customer portfolios. The limited engagement of I&C suppliers is, then, one flaw of the current proposal, although we would not want to presume the position of those suppliers concerned.

Notwithstanding the above, ESP would welcome more formal and established governance arrangements which cover all MAMs but firmly believe that SPAA is not the vehicle to deliver this objective.

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.

ESP believes that any change in MAMCoP governance, including that which is proposed, would provide increased transparency and legitimacy to the MAMCoP. Bringing it from the fringes to the centre of the gas supply sector should prove advantageous to all MAMCoP accredited parties.

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

We do not consider that the current funding methodology needs to be changed greatly. Some further administration costs may well fall on SPAA, and would appropriately be borne by SPAA parties on accordance with existing cost allocation mechanisms. An increased visibility of, and influence over, the MAMCoP document and procedures should be welcomed by suppliers as the transition to smart metering proceeds.

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

ESP can support the proposed licence drafting but would wish for the inclusion of a robust appeals process, an issue that in our view was not adequately addressed as part of the recent redraft of the MAMCoP document by IGEM.

On balance, ESP would support the transfer of the governance of the MAM accreditation scheme away from Ofgem to a suitable organisation but do not consider SPAA to be suitable to fulfil this role.

Please contact me if you have any questions relating to this response.

Yours sincerely



David Speake

ES Pipelines Ltd