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Dear Steve

Transfer of Meter Asset Manager Scheme

I am writing on behalf of the Major Energy Users' Council (MEUC) which is an independent consumer led body representing the interests of a large number of industrial, commercial, retail and public sector organisations and for which the use of electricity and gas is a significant factor in their operations' costs.

From the outset I would like to make it clear that MEUC are totally opposed to your proposal to transfer the role of approving a MAM from the Authority to the Supply Point Administration Agreement (SPAA).

There are a number of reasons for our opposition, which I will try to explain.

The first has to be the objective of the SPAA listed on their web site as;

The Supply Point Administration Agreement (SPAA) sets out the inter-operational arrangements between gas suppliers and transporters in the UK retail market. It is a multi-party agreement to which all domestic gas suppliers and all gas transporters are required by their Licences to accede.

This clearly sets out that SPAA is an agreement between suppliers and transporters covering a specific process. It is not a body as such therefore under their current format should not be able to carry out the role that you are proposing.

Secondly if we assume that they change their constitution to include the approval of MAMs we would still object, as the body to carry out this approval would be their Executive Committee whose membership is listed as,

*Two I&C Supplier Members, **Eon, RWE Npower.***

*Two Large Domestic Supplier Members, **British Gas, SSE.***

*One Small Domestic Supplier Member, **None named***

*Two Large Transporter Members, **NGN, WWU.***

*One Small Transporter Member, **IPL***

Using this membership to approve a MAM would mean that the licence conditions for both gas supplier and transporter would have the current phrase "to use MAMs that are approved by the Authority" effectively replaced by "to use MAMs approved by themselves", which hardly meets your objective of protecting customers interests.

The third reason would have to be the constitution of SPAA that clearly states that it only covers domestic issues. As a body representing I&C consumers we would not want to see the SPAA's role expanded to approve MAMs.

I fully understand how Ofgem wishes to relinquish a purely administrative task to others in the industry, however to date consumers had the reassurance that with MAMs having to be approved by the Authority we could rest easy. At a time when the influence of the "big six" suppliers on the industry is under severe criticism, for Ofgem to suggest giving

the approval of MAMs to a body dominated by them (4 out of the named seven), I struggle to understand.

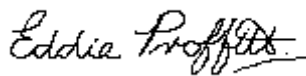
For I&C consumers the role of a MAM can be critical, however the main suppliers' to their sector of the market, Total, Shell, GDF Suez, Statoil, Gazprom, Corona, ENI, Wingas and First Utility are not represented on the SPAA. They do however have their own representative body ICOSS that should, as much as the ERA, be included in the approval of MAMs.

I know of other bodies in the industry that have a wider remit and representation than the SPAA and would recommend they be considered by Ofgem before making a decision. One such body is the ASPCoP run by Esta that in a number of ways is similar to the MAMCoP.

In other areas Ofgem have previously insisted that the appointment of a body to administer such a system should be exposed to a tendering process so that the submissions would be open to public scrutiny; I suggest that the process be repeated by Ofgem in this case.

This submission is not confidential.

Yours truly,



Eddie Proffitt
Gas Group Chairman

Answers to specific questions,

1. Yes
2. Yes but with oversight
3. No, reasons listed above. The ESTA ASPCoP has a wider management representation
4. Disadvantages listed above
5. A broader industry representation
6. Not qualified to comment