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16th November 2011

Dear Steve,

Transfer of Meter Asset Manager Scheme

Thank you for providing the opportunity for OnStream to comment on the proposed transfer of the Meter Asset Manager Scheme (the "Scheme").

OnStream's responses to the specific questions posed in the consultation are contained in Annex 1. In summary OnStream believes there are two key issues:

- OnStream does not object in principle to the transfer of the scheme to SPAA. However of more importance are the governance arrangements and terms of reference for the Scheme. SPAA membership consists mainly of domestic energy suppliers and network owners as opposed to meter asset managers. It is important that any new arrangements give adequate rights and protections to MAMs.

The MAMCoP and the current operation of the Scheme are largely concerned with safety and technical matters rather than commercial aspects. OnStream believe this focus is correct and needs to be enshrined in the terms of reference leaving commercial aspects to separate negotiation between industry participants. Meter Asset Managers are well placed to input on safety and technical matters and it is important that the governance arrangements make due recognition of this expertise.

- Any decision to transfer the scheme needs to be implemented quickly to enable decisions regarding the Scheme management to be made. The existing version of the MAMCoP is out of date and, as pointed out in the consultation, the appointment of the current registration agent will expire mid 2012. At the moment the scheme is in "limbo" and this needs to be resolved as a matter of priority.

If you have any questions regarding OnStream's response please do not hesitate to contact me.

Yours sincerely

John Meehan
Asset Manager

Annex 1 – OnStream’s response to the consultation questions

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

Yes, the MAM approval scheme is important to ensure safety and technical standards are maintained across the industry.

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?

See responses to questions below.

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?

There is no objection in principle to transferring the scheme to SPAA, however there may be alternative bodies or mechanisms. Of more importance are the governance arrangements and constitution of the scheme Management Board. SPAA currently consists of a number of parties that may have limited practical knowledge of meter asset management and operations. It is important that any decisions regarding the content of the code of practice and operation of the scheme are taken by informed parties including the MAMs themselves.

Further, the terms of reference and scope for the Management Board and scheme need to be agreed prior to transfer to another body. Currently the MAMCoP is largely concerned with safety and technical matters. This should be enshrined in any new terms of reference. Commercial and most customer service matters should be excluded from the terms of reference as these are contractual matters between industry players and / or will be covered by the SMICoP

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.

No comment.

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

Management of the scheme should be via a Management Board consisting of metering industry participants. Given the largely technical / safety nature of the MAMCoP it is important the Board should consist predominantly of MAMs and / or their representative bodies along with other industry experts / stakeholders (e.g. HSE, IGEM, Gas Safe, etc.). Equal voting rights should be given to all Board members and there should be an independent appeals process.

Funding arrangements should be continued in line with the existing funding mechanisms.

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

If it is decided to transfer the scheme to the SPAA the licence modifications are appropriate however they do not (and cannot) address the detailed governance of the scheme. This needs to be set out and agreed by industry participants (including MAMs) prior to any licence changes being made.