



Ofgem
9 Millbank
London
SW1P 3GE
16th November 2011

For the attention of: Steve Rowe

Dear Steve

Re: Transfer of Meter Asset Manager Scheme: Consultation on policy proposals and proposed modifications of standard conditions of the Gas Supply Licence and Standard Conditions of the Gas Transporter Licence.

We have sought the collective views of the SBGI Metering Services Member Group and have detailed their responses to the six questions contained within the consultation. We have also outlined other comments and views our members have in relation to the wider discussions that are taking place within the DECC Smart Metering Implementation Programme.

We believe that the registration schemes for both Gas and Electricity meter asset/operator companies should be reviewed as a whole in the light of the industry as we move forward into the Smart Rollout. We are aware that various aspects of this are being considered within the Consumer Engagement and Rollout Group and the Consequential Changes to Codes and Regulations working Group. However, we also believe that there may be a degree of misunderstanding in those groups on some aspects of the governance and authority of both MAMCoP and MOCOPA. There is also little liaison between these two groups within DECC or the participants of the groups, which is a concern.

We believe that, notwithstanding our responses to this consultation, the whole sphere of MAMCoP and MOCOPA should be discussed at a dedicated workshop with all appropriate industry representation attending. We have therefore written to DECC to suggest such a workshop is held without delay. We will also be offering to host this workshop here at SBGI offices.

Responses To Consultation Questions:

Question One:

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

Answer One:

Yes SBGI considers that an independent MAMCoP style approval scheme remains appropriate and is actually essential in the light of the significant expansion of meter installations during Smart Rollout.

The MAMCoP scheme should also be strengthened to include I&C installations.

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?

Answer Two:

SBGI believes that an industry managed scheme with Ofgem as the arbiter would be appropriate. However, such a scheme must have appropriate authority to effectively manage the processes necessary. This industry body must have full and proper input from the metering services industry players including their trade bodies SBGI and AMO.

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.

The whole purpose of the MAMCoP is to provide the governance that ensures meters are managed by competent organisation that have the appropriate skills to ensure a safe installation, that provides on-going accurate measurement of the gas that passes through it and the information flows are timely and in accordance with legislation. Any transfer will have to ensure that this governance process is maintained and managed by a competent entity with a full understanding of the MAMCoP. It is my understanding that the SPAA is a commercial organisation dealing with commercial issues and therefore their organisation may require additional competencies to fulfil this task.

The appointment of an appropriate chairman is critical to a successful MAMCoP Board.

Answer Three:

No objections in principle but we can see the opportunity to consider an independent and self funding body. This would provide meter asset managers their own body that is independent of suppliers and gas transporters.

Should the management be transferred to SPAA as proposed it must include adequate representation for the metering services community with full voting rights.

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 rollout? If so, please set these out.

Answer Four:

Advantages are: This would join up the whole supply point process under one body.

Disadvantages are:

- There is potential for the suppliers to dominate the process which may not be good for the meter asset management industry long term.
- There is also a risk that standards may not be maintained at the current level.
- Also, as we have stated earlier, there are discussions taking place in two separate DECC work groups that should be consolidated into one workshop or work group to establish the best overall approach to the management of both gas and electricity meter asset managers going forward into the Smart Metering Rollout.

Question Five:

How do you consider the scheme should be managed and funded in terms of a Management Board and Audits?

Answer Five:

The management of the MAM scheme should be independent and self funded.

The audits should continue with Lloyds as it is now. This is a tried and tested independent scheme and we see no reason to change. The audit regime must be robust to ensure effective management of MAMs.

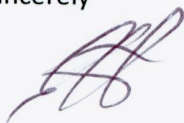
Question Six:

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

Answer Six:

The proposed licence drafting is only appropriate if the scheme transfers to SPAA. If a different approach is adopted then the draft licence would need to be changed.

Yours sincerely



Gary Cottrell

Services Manager, Utility Networks