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Dear Colin,

Transfer of Meter Asset Manager Approval role (document reference 42/12, published 29/03/12): statutory consultation on modifications to the gas supply licence and gas transporters licence - response from National Grid Metering

Thank you for your invitation of 29 March to comment on the proposed decision and licence modifications made regarding the transfer of the Meter Asset Manager scheme to SPAA. We continue to believe that a MAM approval scheme is appropriate and broadly support the transfer and licence modifications outlined, but again draw attention to some aspects of the proposal which we believe merit further clarity. The future membership and governance of the scheme remains an area for discussion in order to ensure that all parties are appropriately represented, particularly Industrial and Commercial suppliers.

We believe retention of a MAM approval scheme is not only appropriate for gas metering but is potentially more so in a time of change, such as the onset of smart metering, to ensure that participants in the market possess and retain the required capabilities. We accept and support the rationale that it is more appropriate for the MAM approval scheme to be managed by the industry rather than directly under Ofgem due to its largely technical nature. However, we would still support a change to introduce mandatory membership to SPAA for non-domestic suppliers, needed to ensure all technical requirements continue to be provisioned through a fully representative forum. As other respondents to the original consultation stated, the SPAA as a body is predominantly viewed as domestic. This does not align with the more technical and complex engineering-led challenges of ensuring competency for industrial and commercial sites. We would welcome Ofgem's view on their particular role in this matter and in particular in requiring all suppliers, both domestic and industrial and commercial, to accede to SPAA.

We still seek further clarity regarding the governance of the Scheme and the allocation of decision-making authority and would prefer the role of the SPAA Executive Committee to continue to be of a governance nature only. Our preference remains for the MAMCoP panel to continue to act as the controlling body in respect of approval, ongoing management and resolution of technical issues. We would encourage retention of existing membership, which provides continuity and consistency through the transition and addresses the requirements for more complex, industrial and commercial technical experience and capabilities. We also suggest that the MAM Scheme Board should form the "expert group" referred to, retaining suitable authority and independence to act where required.

As regards the continuing auditing of the existing MAM approval scheme and adherence to the Code of Practice, we remain concerned that transfer to SPAA by August 2012 represents a challenging timeframe. We agree with the concerns expressed by other respondents to the October 2011 consultation in the event of the expiry of the current contract with the Lloyd's register prior to the transfer to SPAA being completed. We would therefore seek greater assurances regarding the "transitional arrangements", including the provision of an approved authorisation and audit capability, in order to safeguard management of MAM approval and adherence to the Code of Practice. Transitional arrangements must be clear, with roles and responsibilities adequately specified and assigned in order to achieve this. We also believe that the transitional period should be time-bound to aid market participation.

We understand the rationale of transferring Ofgem Approved Meter Installers' (OAMI) approval to SPAA and agree that it would be appropriate to retain the link between MAM and OAMI approvals accordingly. However, we would suggest that the successful transfer of MAM approval to SPAA should be in place before addressing any potential changes to OAMI arrangements.

We are satisfied that the proposed licence drafting is appropriate, in respect of Standard Condition 8 and Standard Special Condition A10. We also find satisfactory the proposed change to the Definitions for Standard Conditions – Meter Asset Manager.

In summary, we continue to support the proposed decision if further clarification regarding the modifications detailed is agreed. Please do contact me if you have any questions on this response.

Yours sincerely,

By e-mail

Abigail Cardall
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