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Dear Paul

Draft criteria for authorising the disposal of electricity meters under Schedule 6, Paragraph 6 and Schedule 7, Paragraph 11 of the Electricity Act 1989.

I refer to the letter dated 8th March 2011 from Colin Sausman (Ofgem) and David Moorhouse (NMO).

We are pleased that Ofgem and NMO have reviewed this area and considered the balance to be struck between the requirement for evidence and the operational costs of storage. Our responses to the three questions in the consultation are attached.

If you wish to discuss our remarks please feel free to get in touch.

Yours sincerely

Steve Briggs

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Question 1: Do you have any comments on the proposal to issue a general authorisation?

1. We agree with the objectives behind the potential introduction of a general authorisation, but we have some concerns that it could have limited application and / or actually increase overall costs. Our reasons for thinking this are set out in our answer to Question 2. The principle is a good one though: there is no purpose in retaining removed meters in perpetuity and a pragmatic mechanism through which they are retained only when relevant and only for as long as is necessary is a goal that all stakeholders should support.

Question 2: Do you have any comments on the specific criteria for the proposed general authorisation set out in Annex 1? Please provide any evidence that you have to support your comments if possible.

2. Our main observation is that the criteria assume that all meters removed under the relevant provisions of the Electricity Act are notified to the Police. That is not the case, for a number of reasons:
 - The Police generally have little interest in progressing cases of abstraction unless there is a link to a further crime – such as cannabis cultivation – or there is a danger to lives and property
 - We have heard that referring every case to the Police would be detrimental to crime statistics
 - Police appear to take the view that suppliers are better-placed to apply appropriate sanctions, through disconnection and debt recovery
 - We have been advised informally through contacts in the Crown Prosecution Service that to do so would not be in the public interest
 - In many cases where a meter is removed it is impossible to confirm who was responsible for the abstraction of energy
3. One solution to this might be to develop a standard notification process for all such meters, but we do not think this would be welcomed and may actually increase costs, running counter to one of the objectives of this proposal.
4. A number of removed meters will never be required in evidence; for example when the removal has been a consequence of tampering with the supply or the cut-out fuse. In our view, there is no requirement for these to be retained but one interpretation of the proposals in Annex 1 could be that the meter must be retained for six months and cannot be disposed of unless the police had been notified. Again this could drive additional costs for no benefit.

Question 3: Do you have any other comments on the proposals set out in this letter?

5. We appreciate that the intent of these proposals is to be helpful to the stakeholders involved but, for the reasons given above, think that there may be unintended consequences and costs if they were to be implemented.
6. Overall, the numbers of meters falling within the scope of the proposals is quite small which is why they are handled by a specialist team, to avoid them being lost in the huge volumes of meters that are replaced as part of our normal operations. It may be helpful to meet with representatives of this team (the Revenue Protection Unit) to reconsider the proposals, if you decide that this is an issue that you wish to progress.