
AMO response to Ofgem Consultation on OS & GS of Performance

1.1. Purpose

This is a non-confidential response.

The document records the AMO response in respect of the Ofgem document¹: “Consultation on the Supplier Guaranteed and Overall Standards of Performance”, issued on 30 June 2014.

1.1. Background

The Association of Meter Operators (AMO) is a trade association representing the interests of its members. There are twenty three members² of the AMO who include all of the active electricity Meter Operators and the largest gas Meter Asset Managers. Many of these companies also own significant quantities of metering assets, either directly or through associated companies.

The term Meter Operator is used throughout this document to include both the gas metering term Meter Asset Manager (MAM) and the electricity term Meter Operator.

1.2. Member Involvement

Many of the AMO members are undoubtedly providing their own response directly to Ofgem. This AMO response does not necessarily represent the agreed views of every member on each issue. This response has been prepared by the AMO Consultant on behalf of the AMO members based on views expressed through individual discussion, meetings and written comments provided by members.

The AMO membership is grateful for the on-going dialog with Ofgem on a range of issues. The AMO membership would welcome the opportunity to provide any further clarification or discussion of any of the issues raised by this response.

1.3. Key Messages

- The AMO supports the general direction of the Ofgem consultation
- Convergence of the gas and electricity standards for gas and electricity is welcomed
- The AMO supports the inclusion of micro-business within the scope of GS & OS

¹ www.ofgem.gov.uk/publications-and-updates/consultation-supplier-guaranteed-and-overall-standards-performance-gosp

² www.meteroperators.org.uk/members.php

1.4. General Comments

The AMO fully support the intention to combine the OS & GS so that they are consistent across both fuels. Increasingly the industry is operating on a dual fuel basis, so utilising identical timescales aids consistent management of the metering activities.

We presume in this consideration that the definition of pre-payment meters includes smart meters operating in a 'pay as you go' mode. This needs to be made more explicit in the documentation.

1.5. Specific consultation questions

1.5.1. Question 1

Do you agree that a GS should be created, replacing the existing OS, to cover the time taken for suppliers to reconnect customers disconnected for unpaid charges once the debt has been repaid/an agreement reached? Would the core requirements of the standard need to change from those set out in the existing OS?

Agree. As smart meters are roll-out then the need for this standard should steadily decline, as customers will, in most cases, be disabled remotely but can be 're-enabled' remotely, virtually instantly after a payment is received.

1.5.2. Question 2

Do you agree that the existing GS and OS should be merged to create a revised GS on visiting to repair or replace a faulty prepayment meter? Would the core requirements of the existing standard need to change, for example aligning the timeframes for visit?

Agree. As smart meters are rolled out then it is anticipated that more customers will be served through a 'pay as you go' arrangement. Any failure (which prevents the customers legitimate use of energy) of this more complex smart metering arrangement should be responded to promptly.

Standardising on four hours on any day would seem appropriate across both fuels.

1.5.3. Question 3

Do you agree that the GS to cover the making and keeping of appointments by suppliers should be retained? Would the core requirements of the existing standard in this area need to change and if so, how?

Scope should include domestic and micro business customers. The SMICOP requirements are only transient for the initial installation of smart metering. SMICOP ceases to apply once the initial smart meter is installed, and SMICOP itself is planned to disappear once the roll-out is complete. It is therefore appropriate to retain these GS as the enduring requirement. Most customers are not aware of the ability to request an appointment within a two-hour band, ideally this feature should be strengthened, by requiring a two-hour band to be offered to the customer.

Increasingly members are offering a range of appointment times across the week, but recognise that once there is an agreement the customer expects the appointment to be kept.

1.5.4. Question 4

Do you agree that the GS for faulty metering should be retained? Do any of the core requirements need to change, and if so, how?

As the roll-out of smart metering increases the failure of the metering system may well lead to failure of a supply. Examples will include failure of a gas valve or electrical contactor to operate so as to prevent legitimate supply to the customer. There is currently no GS covering this aspect. Where the metering equipment has failed to provide a gas or electricity supply, then a shorter timescale (~4 hours as per question 2 recognising working and non-working day) may be appropriate.

The current GS only refer to metering accuracy errors, there is little of a time critical nature in responding to these issues, so a longer period of 10 WD may be appropriate. The Billing Code describe a process to

resolve problems the longer the problem remains unresolved the longer the customer (and supplier) are uncertain about the correct billed values, and the greater the estimation of error correct will need to occur. NMO have published³ statistics indicating that the majority of formally tested meters are determined to be accurate. These statistics do not reflect the unknown quantity of meters inspected and replaced as accepted as faulty which are therefore not subject to NMO formal testing/reporting.

1.5.5. Question 5

Do you agree that the OS for resiting meters can be removed? How will suppliers manage requests from customers wishing to have their meters resited in the absence of a performance standard in this area?

Yes. This standard causes confusion with customers as it may not be possible to move a meter alone. In many cases there is also a need to move an incoming service, as a result the appropriate Network company need to be involved, which can greatly extend the timescale to complete any works.

1.5.6. Question 6

Do you agree that the existing OS requirement for changing the basis of charging involving a change of meter should be removed? How will suppliers seek to manage requests from customers in the absence of a performance standard in this area?

The AMO has no view on removal, or not of this standard. Although we would make the observation that the roll-out of smart metering will normally allow the Supplier to initiate a tariff structure change in most cases remotely, virtually instantly.

1.5.7. Question 7

Do you agree that the GS applying solely to customers served by an ex-PES supplier operating in their ex-PES area should be removed?

Yes.

1.5.8. Question 8

We would welcome views along with supporting evidence on whether the revised GS should apply to micro business customers as well as domestic. We would also be interested in views regarding whether coverage should be limited to a subset of micro-business customers and if so how any such subset might be defined, and whether only certain of the revised GS might apply to them.

Many of the standards are currently applied only to domestic customers. In many other aspects Ofgem are requiring an identical approach between domestic customers and micro-business customers. The arguments used in the other context (such as the scope of SMICOP) reflect the view that micro-business customers and in many ways similar to domestic customers in their ability to ensure a supplier provides a particular level of service.

Ofgem may wish to encourage larger (non-micro-business) customers to specifically consider inclusion of these similar contractual aspects in their agreements with suppliers.

To a large extent the Meter Operator is not aware how the customer is classified by the Supplier.

1.6. Final comment

One member representative has made the observation that if Ofgem are keen on competition in services, then a more radical approach may be for the regulations to require each Supplier to publish *their own* timescales and associated compensation payments, while also publishing their performance. The market can then evolve with different suppliers offering different timescales.

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³ www.gov.uk/electricity-meter-accuracy-and-billing-disputes