

Modification proposal:	Supply Point Administration Agreement (SPAA) Change Proposals (CP) 15/311: MAMCoP Audit and Investigation Procedure		
Decision:	The Authority ¹ has decided to approve ² this modification ³		
Target audience:	SPAA Parties, SPAA Panel and other interested parties		
Date of publication:	19 October 2015	Implementation date:	6 November 2015

Background

Governance of the Meter Asset Manager Code of Practice (MAMCoP) came under the SPAA in August 2012. It applies to Meter Asset Managers (MAMs) who provide services to manage primary gas meter installations⁴.

When a suspected breach of the MAMCoP by a MAM is reported, the SPAA Executive Committee (EC) raise an investigation. Currently, the SPAA and MAMCoP include high level details about the procedure to follow for such an investigation. This level of detail was highlighted as an issue in 2014 when the first investigation into a suspected breach was undertaken by the SPAA EC. This highlighted concerns with the clarity of the investigation procedure, the roles and responsibilities of participants and inconsistencies between the relevant documentation. In February 2015 the SPAA EC requested that Electralink carry out a review of the SPAA and the MAMCoP in order to clarify this procedure.

The modification proposal

E.ON Energy, the proposer, raised modification CP15/311 on behalf of the SPAA Executive Committee in July 2015. CP15/311 seeks to clarify the procedure for MAMCoP investigations and provide a more robust decision making process. The modification proposes to change Schedule 32 of the SPAA. Among other things, it proposes the following:

- Any proposed SPAA party, MAM or Meter Asset Provider (MAP) can report a suspected non-compliance.
- The SPAA EC will determine if an investigation is required, and if so it will set the timescales and the scope of the investigation.
- The SPAA Breach and Default Committee will make the determination on whether the MAM has breached the MAMCoP.
- The SPAA EC will determine if the MAM's approval should be withdrawn.

Change Board⁵ recommendation

At the SPAA Change Board meeting on 20 August 2015, the Change Board voted on the proposed modification. The outcome of the weighted vote is set out in the table below:

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ 'Change' and 'modification' are used interchangeably in this document.

⁴ Standard condition 12 of the gas supplier licence requires the licensee to use an approved MAM for the provision of a gas meter at domestic premises. A MAM is defined in standard condition 1 as being approved in accordance with the SPAA.

⁵ Change Board is established and constituted pursuant and in accordance with the SPAA.

CP 15/311	WEIGHTED VOTING (%)					
	Domestic Supplier		I&C ⁶ Supplier		Gas Transporter	
	Accept	Reject	Accept	Reject	Accept	Reject
CHANGE SOLUTION	100	0	100	0	100	0
IMPLEMENTATION DATE	100	0	100	0	100	0
IMPLEMENTATION TECHNIQUE	100	0	100	0	100	0

In accordance with the weighted vote procedure,⁷ the Change Board considered that CP15/311 would better facilitate the relevant objectives of the SPAA and therefore recommended its approval.

Our decision

We have considered the views of the Change Board and the Change Report dated 15 September 2015 and have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the SPAA;⁸ and
- consenting to the modification being made is consistent with our principal objective and statutory duties.⁹

Reasons for our decision

The proposer and the SPAA Change Board considered that this modification better facilitate SPAA objectives (b), (c) and (e). We consider this modification proposal will better facilitate SPAA objectives (c) and (e) and has a neutral impact on the other relevant objectives.

(c) the promotion of efficiency in the implementation and administration of the supply point administration arrangements

We agree with the Change Board that the modification should create a robust process to help make decisions regarding MAMCoP Audit and Investigations. Clarifying this process should allow investigations to be carried out efficiently and in doing so better facilitate this objective.

(e) the establishment, maintenance and operation of the Meter Asset Manager arrangements

We agree with the proposer and the Change Board that this modification will better facilitate this objective. CP15/311 clarifies the procedure to be followed for investigations into potential non-compliance with the MAMCoP. Having this process clearly set out in the SPAA should help to ensure the effective operation of the MAM arrangements.

⁶ Industrial and commercial.

⁷ The threshold for a change proposal being accepted by relevant SPAA parties is 65%, as set out in clause 9 of the SPAA.

⁸ As set out in Standard Licence Condition (SLC) 30.5 of the Gas Supplier Licence.

⁹ The Authority's statutory duties are wider than matters which the Change Board must take into consideration and are detailed mainly in the Gas Act 1986.

Decision notice

In accordance with Standard Licence Condition (SLC) 30 of the Gas Supplier licence, the Authority hereby approves modification proposal SPAA CP15/311: MAMCoP Audit and Investigation Procedure.

Declan Tomany
Associate Legal Partner

Signed on behalf of the Authority and authorised for that purpose