

Jonathan Blagrove
Ofgem
9 Millbank
London
SW1P 3GE

Sent via e-mail: jonathan.blagrove@ofgem.gov.uk

23 January 2015

Supplier Guaranteed and Overall Standards of Performance: statutory consultation and proposals

Dear Jonathan,

I am writing in response to Ofgem's statutory consultation. This letter is not confidential.

Regarding the Guaranteed Standard requiring suppliers to act quickly to repair or replace a faulty meter.

Energy UK members seek clarity that the GS setting out supplier requirements in relation to faulty meters (Standard 5) relates to credit meter customers only. Energy UK suggests that Ofgem revises the wording of the standards to ensure that its intent here is clear.

Ofgem's suggested timeframe in which suppliers should resolve an issue with a faulty meter is 15 days, starting from when a customer first contacts their supplier, and including any site visits that might be necessary and an explanation in writing of the supplier's actions to resolve the issue. Our members report that this process could take significantly longer than 15 days, and that the timeframe should be longer. Suppliers may, for instance, have to install a check meter for a period exceeding 15 days and /or undertake load testing, and will offer customers an opportunity to consult a third party on the issue before undertaking further work. It is not possible for suppliers to comply with this requirement as currently drafted. Therefore, we recommend Ofgem considers revising the requirement for suppliers to have 'initiated work', which may or may not necessitate a site visit, within 15 days rather than having completed all work within 15 days.

Regarding the GS requiring suppliers to act quickly to repair or replace a faulty prepayment meter.

Given the definition of faulty prepayment meter within Standard 6, Energy UK understands that this standard applies to situations where the meter fault prevents supply to a premises, as opposed to a fault where the meter operates outside the margins of error (which would be captured under Standard 5).

Under Standard 6(3) Energy UK seeks clarity that the supplier having 'commenced such work as appears necessary' would include the supplier discussing with the customer a suitable way forward or resolution, rather than a requirement to attend the customers premises in all cases, within three or four hours.

We feel that suppliers should retain flexibility to decide which prepayment appointments should be attended in three or four hours, in order that the customers with genuine emergency requirements (such as customers who are off supply or in dangerous situations) can be prioritised.

Regarding the extension of the GS to cover the making and keeping of appointments to micro business gas customers.

While Energy UK acknowledges that the proposed changes seek to improve consistency of application of the standards, they also imply increased requirements in respect of gas supply.

The changes needed to apply these standards to gas micro business customers could be significant - to meter operators as well as to suppliers - for example the associated costs of changes required to existing third party contracts and to system changes to ensure robust delivery of the new processes. Energy UK is not aware of any analysis or impact assessment being conducted to evaluate the costs and benefits to customers. As stated in our response to Ofgem's previous consultation¹ members can see no clear evidence based reason for extending this protection to micro businesses, beyond that it 'appears iniquitous' not to. In the very least an impact assessment should be presented by Ofgem in line with its statutory responsibilities.

Energy UK seeks to understand whether meter operators were consulted in the process of creating these proposals.

Implementation date

If Ofgem proceeds with its proposed new Standard 4 (Appointments) as currently drafted the deadline of 1st July 2015 is unrealistic. Barriers include suppliers' potentially protracted contractual revision negotiations with third parties (such as meter operators and data collection providers) and implementation conflicting with preparation for Project Nexus

The implementation date for Project Nexus is scheduled for 1st October 2015, and suppliers' concurrent implementation of changes around the GS over this period would prove incredibly challenging. Energy UK would therefore suggest an appropriate date can be, realistically, no sooner than October 2015, and a more sensible and efficient date would be 1st January 2016 to align implementation with Ofgem's reporting cycle.

Issuing notice of rights

Given that suppliers are no longer required to issue their domestic customers with a statement setting out consumers' rights in relation to the performance standards, Ofgem should consider whether the responsibilities of - and costs implied by - Standard 11(6) sit naturally with the supplier. Members note that customer details (such as customer name) are not required for a notice of electricity interruption, and that responsibility may align with the duties of the Distribution Network Operator and Gas Distribution Network.

If you have any questions, please do not hesitate to contact me on 020 7747 2963 or daisy.cross@energy-uk.org.uk

Yours sincerely

Daisy Cross
Policy Manager

¹ <http://www.energy-uk.org.uk/publication.html?task=file.download&id=2922>