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Dear Pooja

Reforming suppliers' meter inspection obligations - consultation response due 18 September 2015

Thank you for the opportunity to comment on your proposals relating to the issue above.

We are generally comfortable with the proposals from Ofgem. It is important that obstacles and risks are removed to assist in delivery of the benefits of smart metering for consumers. We would like to see a closer alignment of the approach across both gas and electricity arrangements to further remove inefficiencies and confusion for consumers.

We are pleased that Ofgem recognises a need to share critical information between industry parties on change of supplier events. However, in the light of DCP235 and the recent discussions at the DECC Meter Inspection sub group, we are not convinced that that information is appropriate for Network Operators.

Responses to the individual questions posed in the consultation are provided on the following pages.

Yours sincerely

Tracey Wilmot
Head of Downstream Regulation

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Chapter One

Question 1: Do you agree with our assessment of the need for reform?

We agree with your assessment.

In order for suppliers to be able to deliver the expected operational savings and for customers to truly benefit from smart metering it is important that all potential barriers are removed and risks mitigated as far as possible.

We also believe that any obligation(s) should apply equally to all suppliers to avoid the possibility of that obligation, and hence the related cost of compliance, being transferred to another supplier following a change of supplier event.

Chapter Two

Question 1: Do you agree with the scope of our review?

We agree with the scope of your review.

Question 2: Do you think we have focused on the right options for reform?

We believe you have focused on the right options for reform.

Chapter Three

Question 1: Are there any important impacts of reforming suppliers' meter inspection obligations that we have not identified?

The main issues have been considered.

Chapter Four

Question 1: Do you agree with our assessment of the options?

In general terms we agree with the assessment undertaken. However further benefit may be gained by aligning arrangements across both gas and electricity.

Question 2: Do you have any evidence to support your views?

There is already a mismatch between gas and electricity meter inspection arrangements. Under current arrangements the requirement to inspect a meter on an electricity supply gain re-sets from the Supply Start Date (SSD) for the gaining supplier. However for gas suppliers, the period to undertake the check is carried forward across a change of supply event. This causes process issues for suppliers and is not a consistent experience for customers. It is both inefficient to have separate processes for both fuels and confusing for consumers.

Chapter Five

Question 1: Do you think we have identified the consequent impacts of the preferred policy option?

We believe you have identified the consequent impacts.

Question 2: Do you see any issues with our implementation approach?

As outlined under the heading "Market Monitoring" (consultation p.22) in the consultation, improving the quality of data items mutually required and useful to all industry parties is important to make the most efficient use of this proposed change of policy.

It is important that for suppliers to be able to mitigate any risks of gaining assets through change of supplier events that information on the date the meter was last inspected is passed from old to new supplier, to update the gaining supplier's own risk based methodology. This information is already provided in gas. We believe the industry should lead on developing an equivalent cost effective solution for electricity. It would then be possible to extend this to Distribution Network Operators (DNOs), although it is not clear how this would benefit DNOs directly in light of recent debates through DCP235 and the recent steer from the Health and Safety Executive through the DECC Meter Inspection Sub Group that the "risks remain with the duty holder to manage". It is therefore not clear to us that the suggestion in the consultation that the passing of meter details and date of last inspection is required for DNOs.

End

