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Non Confidential

Pooja Darbar
Smarter Metering
Ofgem
9 Millbank London
smartermarkets@ofgem.gov.uk

18th September 2015

Dear Pooja,

Reference: Reforming suppliers' meter inspection obligations

Gazprom Marketing & Trading Retail Limited ("***Gazprom Energy***") would like to thank you for the opportunity to respond to your consultation. We do not consider our response to be confidential and we are happy for our comments to be shared with other interested parties.

Gazprom Energy operates in the UK non-domestic sector as a gas supplier and a gas shipper. In addition, we also operate in the UK non-domestic power market as an electricity supplier.

We have set out our answers to the consultation questions in the body of the letter below.

CHAPTER: One

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

Yes, now seems like an appropriate time for assessing the need for reform with the significant metering changes underway with the rollout of advanced and smart meters.

As noted in the consultation document, HSE regard prescriptive Supply Licence Conditions (SLCs) as not the most effective approach to fulfilling health and safety obligations in existing legislation. We would agree that it is not efficient for multiple parties to be seeking exemptions from the SLCs and therefore a wider review is timely.

We agree that the original "multi-purpose" intent of the inspection SLCs may be less applicable now due to the separately focussed initiatives developed recently. These include specific theft SLCs an element of which introduces the Theft Risk Assessment Service (TRAS). Meter reading frequency has also been targeted separately through SLCs while remote meter reading will become increasingly common as advanced and smart meters are rolled out.

More generally, we believe reviewing the effectiveness of SLCs and removing conditions where not required is a positive regulatory approach.



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CHAPTER: Two

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

Yes, we agree that all meters should be in scope. On a matter such as meter safety, all suppliers, and therefore all consumers, should be treated on an equal basis.

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

Yes, on the basis of Ofgem and HSEs discussions it seems that either repealing the SLCs or moving to a 5 year meter inspection regime (as opposed to the current 2 years) are an improvement on the current position. On the basis of the feedback and recommendations from HSE, we support Ofgem's preferred approach which would lead to the repealing of the SLCs.

CHAPTER: Three

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

No others that we have identified.

CHAPTER: Four

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

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

Yes, we agree that either option provides some improvement on the existing position. There are particular improvements to effectiveness and efficiency through option B, the repeal of the relevant gas and electricity supply licence conditions.

CHAPTER: Five

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

No comment.

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

We haven't identified any issues with the implementation approach. We agree that the proposed implementation date of 1st April 2016 is appropriate.

We hope you find our comments useful. Should you have any questions on or would like to meet to discuss our response, please don't hesitate to contact tom.breckwoldt@gazprom-energy.com.

Yours sincerely,

Tom Breckwoldt