



Consultation on supplier Guaranteed and Overall Standards of
Performance (GOSP)

Response from Siemens

Statement of interest / Executive Summary

Siemens, through its Operational Services business unit (OS), is one of the largest independent providers of metering services to the electricity, gas and water industries in the UK. It serves all segments from domestic consumers through SMEs and commercial customers up to major energy users.

As Siemens is actively engaged with the UK Half Hourly (HH) and non-Half Hourly (nHH) energy market from an asset management, meter installation and data management perspective our responses reflect our views in these areas.

Siemens OS is an established market participant and is qualified to operate as a Supplier Agent in the roles of NHHMO, HHMO, NHHDC, HHDC, NHHDA and HHDA in the electricity industry, and DC and MO in the gas industry. We directly serve UK commercial and industrial customers in the nHH and HH energy market. We welcome this opportunity to respond to the consultation.

From the perspective of the consumer we support, in principle, the proposals to update the Supplier Guaranteed and Overall Standards of Performance. We appreciate that the standardisation of these Guarantees between Electricity and Gas markets will clarify and simplify their understanding for the consumer.

However, we have some reservations regarding the assumptions on the definition of micro-business; the timescales for fixing faulty metering and the proposed date for implementing these changes. We also have a comment on the publication of information on the Suppliers' performance proposal.

The Definition of Micro-business Customers

In the consultation draft of The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015 document, the definition of a micro-business customer states:

“micro-business customer” means a person supplied or requiring to be supplied with gas or electricity at premises other than domestic premises, where –

- (a) That person has fewer than 10 employees (or their full-time equivalent) and an annual turnover or annual balance sheet total not exceeding Euros 2 million;
- (b) to the extent that these Regulations would apply to that person's gas supplier (if they have one), that person has an annual consumption of not more than 293,000 kWh of gas; or
- (c) to the extent that these Regulations would apply to that person's electricity supplier (if they have one), that person has an annual consumption of not more than 100,000 kWh of electricity;

Siemens consider that it is likely to be impractical for Suppliers or their Agents to accurately know the number of people employed by a business, or the size of its turnover. We believe a practical definition for a micro-business customer would be based solely on annual energy use as per the draft.

Fixing faulty metering

Siemens have concerns over the proposal to resolve issues with a suspected faulty meter within 15 working days. At the moment, as stated in the proposal, if there is suspected reading fault with a meter, a “check” meter will be installed for a week to monitor consumption. The installation of the check meter may not happen until five working days after the complaint has been raised with the Supplier by the consumer. After a week the Meter Operator Agent will revisit the site and obtain the main and check meter data to be passed back to the Supplier for comparison. It is then up to the Supplier to decide if the meter is faulty and if is to raise a request for the meter to be replaced. The timescale in which a non-emergency faulty electric meter exchange job have to carried out is not covered in the BSCP (Balancing and Settlement Code Procedure), and can vary between Suppliers depending on their contractual arrangements with their Meter Operators, therefore the lead time on a replacement job could be greater than five working days. This would take the overall resolution timescale outside the proposed 15 working days. Siemens believe that resolution within 20 working days would be a more practical proposal.

The alternative under a 15 working day limit is that Suppliers go straight to replacing the meter regardless of whether it is faulty. This would mean that the opportunity to determine if the meter was faulty is lost and is an unsatisfactory and unresolved outcome to the consumer’s claim of the meter being faulty.

Proposed date for implementing changes

Siemens would find the implementation date of 1st July 2015 challenging. We will need to carry out a detailed Impact Assessment on our systems of these proposals, followed by any necessary changes to meet their requirements. There is also a potential commercial impact as these proposed changes to GSOP may affect contractual terms with our Supplier customers, which may result in contracts having to be renegotiated.

Publication of information on suppliers’ performance

Siemens is supportive of the comment in the proposal in section 3.23 of the consultation document where it says ‘[there is a need for uniformity of reporting](#)’.

For the consumer, uniformity of reporting, what is measured over what timescale, will allow for easier comparison of performance between Suppliers. For Siemens as a Supplier Agent we will have provide some of the information for multiple Suppliers, therefore there will be a benefit in having a consistent standard set of reports for all Suppliers, this will be easier for us to generate and administer.

For any questions or further information on Siemens response to this consultation please contact:

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About Siemens in the UK

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Siemens plc has offices and factories throughout the UK, with its headquarters in Frimley, Surrey. The company's global headquarters is in Munich, Germany.

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