



By email only

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Reforming suppliers' meter inspection obligations – final proposals

Dear Tom,

Thank you for the opportunity to respond to the above consultation. We see that Ofgem has confirmed its belief that it's in the best interests of the UK supply industry that SLC12 is repealed and that this will be effective from 1 April 2016.

As we said in our September response, we believe April 2016 is quite ambitious to introduce these changes and that a more gradual approach leading ultimately to full repeal of the current arrangements would be less disruptive to both customers and the industry. It would also allow suppliers to assess the impact on safety in a more measured way and allow the unwinding of existing contractual arrangements. Our preferred approach, therefore, would be for the industry to move to full repeal as each supplier has developed workable alternative arrangements to SLC12, because:

- A safe, enduring and effective regime is needed to ensure continuity and consistency for customers; this will not be, however, something that can be quickly put in place.
- Without consistency in approach across all suppliers and standardised exchange of the right information, there could be considerable spend by suppliers to mitigate the unknown risk every new gain brings on a change of supplier.
- The industry arrangements supporting a move to a risk-based approach will need time to develop.
- It is likely that changes will need to be made to the BSC and other codes; this would sit better as part of a transitional approach.
- Industry could use the experience offered by the smart metering roll-out to assess what a risk-based approach might look like. Again, this would be better as part of a transitional approach.

More importantly, while we broadly agree with Ofgem that changes to the existing meter inspection regime could reduce costs for consumers, consideration of safety must outweigh all others in assessing the impacts of any proposed changes.



npower shares the concerns expressed by a majority of suppliers and network operators at the lack of a mature process to pass critical data between participants on the change of supplier; for example, information about the 'last inspection date'.

Taken together, this is why we believe it is perhaps more prudent to apply a transitional approach to full repeal in April 2016.

Should you wish to discuss further any aspects of this response or the previous provided as part of our September submission, we are available at your convenience, please let me know via the contact details above.

Yours sincerely,

Robert Finch
Regulation Business Partner