

Modification proposal:	Supply Point Administration Agreement (SPAA) Change Proposals (CP): 'Implementation of the Approved Meter Installer Governance' (CP16/372)		
Decision:	The Authority ¹ has decided to approve ² modification ³ CP17/372		
Target audience:	SPAA Parties, SPAA Panel and other interested parties		
Date of publication:	21 April 2017	Implementation date:	To be confirmed

Background

On 31 January 2017, we modified standard condition 12 of the gas supply licence in order to transfer the role of approving meter installers from the Authority to instead be a function of the Supply Point Administration Agreement (SPAA). At the same time, we directed the implementation of SPAA Change Proposal 16/349: 'Introduction of "OAMI" into SPAA vires' (CP16/349).

Both the licence modification and CP16/349 took effect on 29 March 2017.

The modification proposal

CP17/372 builds upon CP16/349, inserting the new Schedule 40 into the SPAA. Schedule 40 requires the SPAA Executive Committee (SPAA EC) to undertake certain activities that may previously have been undertaken by Ofgem or its appointed service provider(s) as part of the *Ofgem Approved Meter Installer (OAMI) scheme*. This includes a requirement upon the SPAA EC to publish from time to time an *Approved Meter Installers (AMI) Code of Practice (CoP)*, to be followed by persons or organisations approved under the scheme.

In order to assist it with its new functions, the SPAA EC will be entitled to procure the services of and thereafter delegate its duties under Schedule 40, which may include:

- a Scheme Administrator – to undertake administrative duties in respect of the scheme, such as keep and publish the list(s) of Approved Meter Installers;
- a Scheme Auditor - to assess the technical competence of applicants;
- a Scheme Adjudicator – who would consider any appeal from applicants that have been refused approval by the Auditor, or subsequently found by them to be non-compliant with the requirements of the AMI CoP, which may prompt a recommendation from the Auditor that their approval under the scheme being withdrawn.

We note that Schedule 40 provides that any person previously approved by the Authority to be an OAMI prior to 1 April 2017 shall be deemed to be an AMI under the Schedule. This is aimed at ensuring continuity for current OAMIs without the cost and inconvenience of a further assessment prior to their existing approval coming due for renewal.

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ 'Change' and 'modification' are used interchangeably in this document.

Change Board⁴ recommendation

At the 16 February 2017 meeting of the SPAA Change Board, all votes cast were in favour of implementing CP17/372. There was one abstention.

Our decision

We have considered the views of the Change Board and the Change Report and have concluded that:

- implementation of the CP17/372 will better facilitate the achievement of the relevant objectives of the SPAA;⁵ and
- consenting to the modification being made is consistent with our principal objective and statutory duties.⁶

Reasons for our decision

The proposer and the Change Board considered that CP17/372 should be assessed against SPAA objectives (b) and (c). We agree that CP17/372 better facilitates objective (c), but that it has a neutral impact on objective (b) and on the other SPAA objectives.

(b) the furtherance of effective competition between Gas Suppliers and between relevant agents

Given that this is a transfer of responsibility, ensuring continuity of provision of the approval scheme rather than substantive change to the requirements themselves at this stage, we do not consider that CP17/372 will have a material impact upon competition, whether adverse or beneficial, either between gas suppliers or between their relevant agents. We therefore consider the proposal has a neutral impact on this objective.

(c) the promotion of efficiency in the implementation and administration of the supply point administration arrangements

As noted in our decision to modify the gas supply licence and consent to CP16/349, we consider that there should be scope for efficiency gains if both the meter installation approval and MAMCoP schemes operate in tandem. Whilst the initial benefits of these synergies are more directly attributable to CP16/349, we consider that the further detail of how the approval scheme will operate now that it is part of the SPAA, as provided for by CP17/372, should help ensure it is administered in an efficient manner. We therefore agree with those respondents who suggested that the implementation of CP17/372 will better facilitate SPAA objective (c).

⁴ Change Board is established and constituted pursuant and in accordance with the SPAA.

⁵ As set out in Standard Licence Condition (SLC) 30.5 of the Gas Supplier Licence.

⁶ The Authority's statutory duties are wider than the matters that the Change Board must take into consideration and are detailed mainly in the Gas Act 1986.

Decision notice

In accordance with Standard Licence Condition (SLC) 30 of the Gas Supplier licence, the Authority hereby approves modification proposal SPAA CP17/372: '*Implementation of the Approved Meter Installer Governance*'.

Lesley Nugent

Head of Industry Codes and Licensing, Consumers and Competition

Signed on behalf of the Authority and authorised for that purpose