

# **Review of the non-domestic gas metering market in Great Britain**

## **Introduction**

Ofgem is carrying out a review of the market<sup>1</sup> for gas metering products and services in respect of non-domestic gas customers in Great Britain. This includes the provision and management of meters and provision of advanced metering equipment and services<sup>2</sup>.

Gas metering is a competitive activity, like retail and wholesale energy supply. It is important for the functioning of the retail market and for providing consumers with information to help them understand and manage their energy consumption.

Our strategy<sup>3</sup> involves delivering better outcomes for consumers by ensuring that competition is effective and works in consumers' interests. This review will include an assessment of the effectiveness of competition in the supply of these metering products and services.

We will be seeking information to inform our analysis from a range of market participants, including providers of these metering products and services and their customers, primarily gas suppliers.

At the end of the review we will decide what, if any, action is appropriate.

## **What are we looking into?**

Gas metering products and services in respect of non-domestic gas customers are frequently provided as a package. Nevertheless, it is possible to divide them into the following three distinct activities:-

- Meter asset provision: the provision, ownership and associated financing of meters
- Meter asset management: the installation and management (including maintenance) of meters
- Advanced metering or automatic meter reading (AMR) equipment and service provision: the provision of data recording and communications equipment and services, including management of data provision to gas suppliers.

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<sup>1</sup> The term "market" is used here as shorthand for the non-domestic gas metering sector. It is not intended to describe or otherwise suggest the approach that may be taken for the purposes of market definition.

<sup>2</sup> 'Advanced metering' may also be referred to as 'automatic meter reading (AMR)'.

<sup>3</sup> *Ofgem: Our Strategy* (January 2015) <https://www.ofgem.gov.uk/publications-and-updates/ofgem-our-strategy>

## **Why are we looking into this?**

Our mission is to make a positive difference for all energy consumers. One of the things we focus on to deliver better outcomes for consumers is ensuring that competition is effective and works in consumers' interests.

The provision of non-domestic gas meters has been open to competition for over 10 years but concerns have been raised with us about how well the market for these products and services is working. We would therefore like to understand how effective competition is, along with the factors affecting this and the consequences.

We note that a lack of effective competition might affect gas consumers adversely as it could lead to higher metering charges to gas suppliers or poorer service to consumers. Higher charges would feed through to higher energy bills for non-domestic gas customers and would ultimately be borne by consumers generally.

## **What will the market review involve?**

As noted, we will be seeking information from market participants. We will issue requests for the provision of information and documents in respect of certain industry parties shortly.

We are also interested in receiving information about the workings of this market generally and not limited to these parties. We invite other interested parties to provide information. We request that, wherever possible, those making submissions include evidence to support any concerns raised.

Once we have received submissions, we will analyse the information we have collected in order to decide on next steps, as appropriate.

We expect to provide an update on our progress in the summer.

## **Providing information**

Any party wishing to submit information should do so by the end of March 2015 at the latest.

Submissions should be emailed to [Nondomgasmeterreview@ofgem.gov.uk](mailto:Nondomgasmeterreview@ofgem.gov.uk). They may in addition be sent by post to:-

Non-domestic gas metering market review  
4<sup>th</sup> Floor  
Ofgem  
9 Millbank  
London SW1P 3GE

It would be helpful if responses could be submitted electronically regardless of whether you also provide a hard copy.

## **Annex 1 - Disclosure of information and confidentiality**

Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website [www.ofgem.gov.uk](http://www.ofgem.gov.uk). Respondents may request that their response (or one or more parts of it) is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. Respondents should also note there are circumstances where Ofgem may publish information contained in their response such as where such publication is necessary in order to facilitate Ofgem's statutory functions.

Respondents who wish to have their responses remain confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. Respondents are asked to put any confidential material in the appendices to their responses.