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Dear Tom,

Reforming suppliers' meter inspection obligations – final proposals

Thank you for the opportunity to respond to the above consultation. In summary we welcome the proposal to repeal the meter inspection supply standard licence conditions (SLCs) 12.8-12.16 in gas and 12.14-12.16 in electricity in their entirety.

Assessment of the need for reform

We agree that there is need to reform this aspect of the license so that: (i) duplication of obligations are removed; (ii) a level playing field is restored for suppliers to compete on; and (iii) more targeted and effective inspection arrangements can be implemented.

Scope of review and the reform options

We note that the scope of review could have been widened further and see that there could have been value in including items such as a "Collective risk-assessment framework". We welcomed the Ofgem decision to not direct such a framework, as we believe suppliers should make their own decisions based on their obligations and that the impact of any lack of consistency in implementation across suppliers would not materially affect the outcome for customers.

Identifying and assessing the impacts of reform

We agree with the three key impacts of reform namely: (i) Safety; (ii) Theft detection; and (iii) Billing accuracy and that the impacts of reform were properly addressed through the consultation. The additional impacts raised by parties in response to the consultation: (i) Industry cooperation; and (ii) Costs to consumers; had some merit, but in our view were not material enough to justify a change to the Ofgem "minded to" position.

Consequent impacts

We agree with the position that Gas Shippers and Transporters should continue to exchange meter inspection information as this would likely feed into suppliers' risk assessment methodologies.

Implementation approach

Based on British Gas having already gained their derogation in 2012 that relaxed inspection rules in a similar manner, we see no reason to delay this change beyond April 1st 2016.



I trust that you will find these comments useful. Please do not hesitate to contact me if you have any questions.

Yours sincerely,

By e-mail

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