

Modification proposal:	Supply Point Administration Agreement (SPAA) Change Proposal (CP) 08/115 (CP08/115): Removal of Metering Schedule Anonymity		
Decision:	The Authority ¹ directs that this proposal be made ²		
Target audience:	SPAA Parties and other interested parties		
Date of publication:	17 October 2008	Implementation Date:	November 2008

Background to the modification proposal

SPAA Schedule 22 (the Metering Schedule) sets out the obligations placed on parties to operate in accordance with the Review of Gas Metering Arrangements (RGMA) Baseline. These obligations are designed to ensure that information on metering transactions, such as meter asset installation/removal and change of Meter Asset Manager (MAM), is communicated between Gas Suppliers, Gas Transporters, and MAMs. In turn, these information flows underpin the operation of metering competition and are essential to the efficient operation of the change of supplier process.

In accordance with Clause 8.4 to 8.6 of SPAA Schedule 22, suppliers³ provide regular monthly returns to the SPAA Secretariat with information in respect of transaction volumes and percentage failures on K08, ONJOB and ONDET transactions⁴. The SPAA Secretariat makes these returns available to the SPAA Executive Committee⁵ in summary reports, known as the Metering Schedules Reports, so that it can assess suppliers' collective performance against these reporting obligations.

Where a supplier has failed to provide its regular monthly return(s), the SPAA Executive Committee may request details of the reason for this failure.

At present, the Metering Schedules Reports presented to the SPAA Executive Committee do not identify the individual parties due to an anonymity clause within the SPAA Metering Schedule. Therefore, the SPAA Executive Committee is unable to identify individual suppliers' compliance in the provision of these reports.

The modification proposal

This Change Proposal was raised by British Gas following work undertaken by the SPAA Expert Group and a recommendation made by the SPAA Executive Committee. It seeks to remove the anonymity of SPAA Parties within the Metering Schedules Reports. The change will enable Parties to discuss issues openly which will help in resolving metering

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.

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

³ The term 'SPAA Parties' is also used in this document.

⁴ K08 (Notify new MAM appointment), ONJOB (Notify metering job), ONDET (Notify metering details). The transactions failure caps for K08 and ONJOB transactions are 1% and 5% respectively. There is no failure cap in place for ONDET transactions.

⁵ The SPAA Executive Committee's role, among others, includes the management of the key aspects of the change control process. It supports and approves the SPAA Expert Group which provides an opportunity for industry participants to discuss SPAA issues, debate Draft Change Proposals and develop formal Change Proposals. However, the SPAA Expert Group does not have powers to enforce changes to the SPAA or any existing industry agreements, codes or associated systems.

issues. This change will be achieved by amending clause 8.3 within SPAA Schedule 22 by removing the words "on an anonymous basis".

In addition, the Change Proposal amends the recipient of the Metering Schedule Reports from "SPAA Expert Group" to "SPAA Executive Committee". This is to ensure that the report can be viewed by the SPAA Executive Committee and all of its sub-groups, rather than just the SPAA Expert Group.

The proposer believes that in order to drive improvement in the performance of the provision of these reports by suppliers it is important to identify an individual party's performance. This will in turn facilitate work by the SPAA Executive Committee to reduce issues in the gas change of supplier process.

The minutes from the SPAA Change Board held on 21 August 2008 show that this change proposal received unanimous support and therefore 100% of the weighted votes cast by relevant parties. The threshold for a change proposal being accepted is 65%. No further comments were provided by parties in relation to this change proposal.

The Authority's decision

The Authority has considered the issues raised by the change proposal and has taken into account responses to the SPAA consultation and the views of the subsequent SPAA Change Board held on 21 August 2008. The Change Declaration was issued to Ofgem on 15 September 2008. The Authority has concluded that:

1. implementation of the change proposal will better facilitate the achievement of the relevant objectives of the SPAA⁶; and
2. consenting for the change to be made is consistent with the Authority's principal objective and statutory duties⁷.

Reasons for the Authority's decision

We consider that the change proposal will better meet relevant objectives SLC 30.6(a) "the development, maintenance and operation of an efficient coordinated and economical change of supplier process" and SLC 30.6(b) "the furtherance of effective competition between gas suppliers and between relevant agents". Please note that unless we have directly stated otherwise we consider the proposal to be neutral against the aims of the relevant code objectives.

We agree with the views expressed that removing the anonymity within the SPAA Metering Schedule would enable the SPAA Executive Committee to analyse the Metering Schedules Reports more thoroughly and gain a more consistent and complete picture of performance. This in turn should provide the SPAA Executive Committee with information upon which they can take action in case of suppliers' non-compliance with the obligation to provide the regular returns to the SPAA Secretariat.

Since the information flows summarised in the returns are essential to support both metering competition and the change of supplier process, this will facilitate objectives SLC 30.6(a) and (b) of the SPAA as set out above.

⁶ As set out in Standard Condition 34 (4) of the Gas Suppliers Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=4257

⁷The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Gas Act 1986.

Decision notice

In accordance with Standard Condition 30 of the Gas Suppliers Licence, the Authority, hereby directs that SPAA Change Proposal 08/115: '*Removal of Metering Schedule Anonymity*' be made.



Ian Marlee,
Director, Trading Arrangements

Signed on behalf of the Authority and authorised for that purpose.