

Modification proposal:	Supply Point Administration Agreement (SPAA) Change Proposal (CP) 09/143 (CP09/143): AMR Processes and Data.		
Decision:	The Authority ¹ directs that this proposal be made ²		
Target audience:	SPAA Parties and other interested parties		
Date of publication:	18 January 2009	Implementation Date:	25 June 2010

Background to the change proposal

On 6 April 2009, the government implemented changes to the supply licence condition³ placing an obligation on suppliers to ensure that where they newly install or replace a gas meter at premises with an annual consumption over 732,000kWh, the meter should be an advanced meter⁴. The licence condition also states that, subject to certain qualifications, gas supplied after 6 April 2014 should not be provided other than through an advanced meter.

Suppliers and service providers, have developed processes to enable interoperability of gas Automated Meter Reading (AMR) equipment⁵. These, with underlining file formats⁶, have been set out in a new AMR Processes and Data⁷ document outlining standardised procedures that market participants may follow for managing the interactions between suppliers and service providers to support the provision of AMR equipment. The defined processes refer to cases of change of supply, meter exchanges and installation of an AMR device, AMR Service Provider (ASP) query process and site visits.

The change proposal

The Change Proposal (CP) 09/143 was raised by EDF Energy, following the work of the Supply Point Administration Agreement (SPAA) AMR Group. It seeks to introduce a new product, AMR Processes and Data, into Schedule 6 (SPAA Products) of the SPAA. The AMR Processes and Data product will be subject to the change control and governance more generally of the SPAA. However, no direct obligations with respect to the AMR Processes and Data are to be placed upon SPAA parties at this stage. It is anticipated that AMR Processes and Data will come into effect on 25 June 2010 and will be subject to phased implementation.

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 This refers to inserting paragraphs 12.20-12.25 to the Standard Licence Condition (SLC) 12 (SLC 12) of the gas suppliers licence.

⁴ The advanced meter, either on its own or with an ancillary device, must be capable of storing measured gas consumption data for multiple time periods (at least hourly), and of providing remote access to such data by the supplier.

⁵ The terms "advanced meter" and "AMR equipment" are used interchangeably here.

⁶ These are based on Proteus Supplier Flows which are established formats in the gas industry for exchanging data related to meters.

⁷ The document can be found at: <http://www.spaa.co.uk/change-proposal-register-new/spaa-detail?cpnodeid=182344>

As this Change Proposal seeks to amend Schedule 6 of the SPAA it requires the consent of the Authority, as set out in clause 9.1 of the SPAA.

Respondent's views

CP09/143 was considered at the SPAA Change Board on 15 October 2009. All voting members, six of which represented Domestic Suppliers and six represented I&C Suppliers, were in favour of it being implemented. This equated to 100 per cent of the weighted votes cast by relevant parties. The threshold for a change proposal being accepted by relevant SPAA parties is 65 per cent⁸. There was also unanimous support for the proposed implementation date and technique.

The Authority's view

Having carefully considered the Change Proposal 09/143, the Authority is satisfied that the proposed change is consistent with the relevant objectives of the SPAA, as set out in the SLC 30 of the gas suppliers licence. The Authority has, therefore, consented to the modification of the SPAA in line with the Change Proposal.

The Authority welcomes the introduction of the AMR Processes and Data product into the governance structure of SPAA and notes that it was developed in order to support SLC 12 of the gas suppliers licence. We recognise that establishing standardised industry processes (and introducing new file formats) to be used between market participants for AMR related interfaces can enable a consistent approach allowing for effective and timely communication between relevant parties. This, in our view, could facilitate competition in the provision of AMR equipment and services to customers, secure effective competition between suppliers and, potentially, provide a means for resolving any disputes that may arise.

We therefore consider that the introduction of this product to the SPAA is likely to better facilitate the achievement of relevant objective (a) the development of an efficient, coordinated and economical change of supplier process, relevant objective (b) the furtherance of effective competition between gas suppliers and between relevant agents, and relevant objective (d) the efficient discharge of the licensee's obligations under the licence, particularly SLC 12. However, the extent to which these objectives are met will depend on whether all of the SPAA parties comply with the defined processes. While publication of the procedures alone will go some way to improving clarity and facilitating interoperability, we note, that the defined processes have been introduced as a SPAA product with voluntary status, with no route for enforcing compliance. It may be appropriate to review the status of this document if its intent is being frustrated through non-compliance.

Decision notice

In accordance with SLC 30 of the Gas Suppliers Licence, the Authority, hereby consents that change proposal CP09/143: '*AMR Processes and Data*' be made.

Ian Marlee

Partner, Trading Arrangements

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

⁸ The SPAA change control procedures are set out in clause 9 of the agreement.