

Modification proposal:	Supply Point Administration Agreement (SPAA) Change Proposal (CP) 13/241: Gas Smart Metering System Operator (SMSO) Retrospective Update Process.		
Decision:	The Authority's ¹ decision is that this change proposal should be made. ²		
Target audience:	SPAA Parties and other interested parties		
Date of publication:	15 October 2013	Date of Implementation:	8 November 2013

Background to the modification proposal

The Smart Metering Implementation Programme ("SMIP") is a major energy infrastructure project. It is being led by the Department of Energy and Climate Change ("DECC") and involves the replacement or upgrade of over 50 million domestic and non domestic electricity and gas meters by the end of 2020.

Suppliers are already installing advanced and smart meters³. A new market participant, the Smart Meter System Operator (SMSO) will manage data communications with advanced and smart meters on behalf of the supplier.

The relevant Gas Transporter's registration systems hold key information about meter points to facilitate efficiencies within the market, for example on change of supplier.

The introduction of advanced and smart meters has resulted in changes to the central metering information held on the industry databases. Uniform Network Code modification 430 (UNC430)⁴, which the Authority approved in April 2013, requires gas shippers to provide data to transporters when smart or advanced domestic meters are installed at a meter point. The shipper would obtain this data from the supplier. This data includes an item describing the identity, where relevant, of the SMSO.

In February 2013, in response to mod UNC430, the SPAA Change Board accepted CP12/225⁵, which (among other things) ensured that the identity of the SMSO was included within industry databases. This modification took effect on 1 October 2013 and the requirements only apply to meters installed post 4 October 2013.

Where advanced domestic and smart meters were installed prior to 4 October 2013, there is currently no means for a new supplier to identify the responsible SMSO from the data held on the relevant Gas Transporter's registration system.

The impact of not having the identity of the SMSO recorded against the meter point means that continuity of the services that suppliers may offer may be compromised, in particular on change of supplier. Where data communication with an advanced or smart meter is compromised this is likely to impact on the customer experience.

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 Smart and advanced domestic meters have functionality which among other things facilitates two way remote communications from the meter. Smart meters must meet a minimum functional specification mandated by government.

⁴ UNC430 Inclusion of data items relevant to smart metering into existing industry systems
<http://www.ofgem.gov.uk/Licensing/GasCodes/UNC/Mods/Documents1/UNC430D.pdf>

⁵ CP12/225 added new allowable Meter Mechanism Types

The modification proposal

CP13/241 was raised by Southern Electric Gas Limited ("the proposer") and proposes to include a new temporary schedule within the SPAA. This schedule would be called the "Gas Smart Metering System Operator (SMSO) Retrospective Update Process".

This schedule would set out the steps required to ensure that the identity of the responsible SMSO is recorded as part of the data held for that supply point in the registration system, where an advanced domestic or smart meter has been installed in consumers' premises prior to 4 October 2013. The change proposal would require the supplier through the SPAA schedule to update the relevant gas transporter's systems to include the identity of the responsible SMSO where advanced or smart meters have been installed prior to 4 October 2013.

The schedule would apply to all suppliers that are identified as having a portfolio of advanced or smart meters. It would introduce arrangements to identify those sites where an advanced domestic or smart meter has been installed and for the supplier to arrange with Xoserve⁶ for the SMSO code to be sent. Separate arrangements are set out for small transporter networks⁷.

The proposer considers that failing to identify the SMSO recorded against the Meter Point could mean that continuity of the service may not be maintained and may impact the customer experience.

The proposer states that CP13/241 will facilitate SPAA objective (b) the furtherance of effective competition between Gas Suppliers and relevant agents.

Change Board views

CP13/241 was considered at the SPAA Change Board on 15 August 2013. The outcome of the weighted vote is set out in the table below:

CP 13/241	WEIGHTED VOTING (%)					
	Domestic Supplier		I&C Supplier		Gas Transporter	
	Accept	Reject	Accept	Reject	Accept	Reject
CHANGE SOLUTION	100	0	0	0	100	0
IMPLEMENTATION DATE	100	0	0	0	100	0
IMPLEMENTATION TECHNIQUE	100	0	0	0	100	0

In accordance with the weighted vote procedure⁸, the Change Board accepts CP13/241 and requests Authority consent.

⁶ Xoserve delivers a number of services to the gas industry. More information is available at: <http://www.xoserve.com/>

⁷ Shippers using their Shipper Portfolio Extracts will provide each iGT with the Meter Point Reference Number (MPRN), Meter Serial Number and SMSO ID for each of the advanced domestic or smart meters for which they are the installing shipper.

⁸ The threshold for a change proposal being accepted by relevant SPAA parties is 65%, as set out in clause 9 of the SPAA.

The Authority's decision

We have considered the views of the Change Board, the contents of the Change Report dated 10 September 2013 and the minutes of the Change Board dated 15 August 2013 as well as Schedule 35 Retrospective Update Process. We have concluded that:

- implementation of the change proposal will better facilitate the achievement of the relevant objectives of the SPAA⁹, and
- consenting to the modification being made is consistent with the Authority's principal objective and statutory duties.

Reasons for the Authority's decision

We have assessed the proposal against the SPAA objectives. We consider that the proposal will better facilitate objectives (a) and (b) and should be made. We consider that the proposal has no impact or is neutral against the other objectives.

(a) the development, maintenance and operation of an efficient, coordinated and economical change of supplier process

Access to the SMSO for an advanced or smart meter is important to provide suppliers gaining customers with advanced or smart meters, an opportunity to establish data communications with the meter. The inclusion of this information on the centralised registration systems will reduce the costs incurred by suppliers in identifying the SMSO and result in better customer service. CP13/241 should provide greater certainty to suppliers that the customer information they receive on change of supplier will be correct and up to date.

We consider that the availability of additional and accurate data in the relevant registration system will enhance the efficiency of the change of supplier process and therefore better facilitates objective (a).

(b) the furtherance of effective competition between gas suppliers and between relevant agents.

CP13/241 should increase the accuracy of information that is held on the registration system relating to advanced domestic or smart meters. The customer's new supplier will have access to more accurate information about the metering system installed. Access to more accurate information may support their service offering to customers, which could improve customer experience during the change of supplier process. We consider that the ability for the new supplier to be able to have access to the identity of the SMSO would therefore be expected to provide a competitive benefit for the change of supplier process.

In addition, where the new supplier has more accurate information about metering systems installed at premises, when they start supplying they should be in a better position to manage the processes relating to contracting for the rental and maintenance of meters.

The schedule being introduced by this modification proposal will allow the information for meters installed before 4 October 2013 to be included on centralised systems. Once this

⁹ As set out in Standard Licence Condition (SLC) 30.5 of the Gas Supplier Licence.

has taken place, the Schedule will no longer be necessary and will be removed from the SPAA.

Decision notice

In accordance with Standard Condition 30 of the Gas Suppliers Licence, the Authority consents to change proposal CP13/241: Gas Smart Metering Retrospective Update Process.

Maxine Frerk

Partner Retail Markets & Research

Signed on behalf of the Authority and authorised for that purpose