

Representation

Draft Modification Report

0451 0451A (Urgent): Individual Settlements For Pre-Payment & Smart Meters

Consultation close out date: 09 September 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: EDF Energy
Representative: Jonathan Kiddle
Date of Representation: 06 September 2013

Do you support or oppose implementation?

0451 – Oppose.

0451A – Oppose.

If either 0451 or 0451A were to be implemented, which would be your preference?

We do not support either modification.

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

EDF Energy does not support the modifications because the evidence provided is not statistically robust enough to justify the adoption of new profiles for all pre payment meters. One profile has been produced based on the daily meter reads of one shipper for pre payment meters in only one location, the southern LDZ. The data cannot be considered to be sufficient or statistically robust enough to demonstrate that this observed flatter profile will apply to all LDZs or all pre payment meters.

Smart meters are designed to enable customers to control their energy use and adopt energy efficient measures. This could result in customers being empowered to change their consumption patterns. DECC's Smart Metering Impact Assessment¹ expects an energy saving on average of 2% for gas smart meters as a result of customers being aware of their energy consumption and amending their consumption patterns in response to this information. It is therefore erroneous to align the profiles of smart meters with traditional credit or prepayment meters.

The proposals put forward seek to continue with estimated settlement rather than accurate settlement which Project Nexus will bring in with individual reconciliation. Therefore we believe the cost of these modifications to the whole industry will outweigh the perceived short-term benefit to one sector of the industry.

The flag to identify whether a meter is pre payment is not actively monitored by Xoserve and may not have been updated correctly

0451 0451A
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¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/42740/1485-smart-metering-implementation-p.pdf

following meter unbundling. This could lead to sites with credit meters incorrectly being assigned as a pre payment meter and having the proposed profile applied incorrectly. We do not believe that the smart meter reports are subject to a sufficient level of scrutiny that would ensure that the data submitted from all shippers is accurate. This could place a perverse incentive on shippers to submit its reports only in the winter in order receive credits but not in the summer where they are likely to incur debits.

Implementation of mod 451 or 451A would only favour pre payment sites to the detriment of the treatment of credit meters without sufficient justification and/ or substantiated industry-wide evidence.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No.

Relevant Objectives:

How would implementation of these modifications impact the relevant objectives?

We do not think that the modifications meet any of the relevant objectives.

Impacts and Costs:

What analysis, development and ongoing costs would you face if either of these modifications were implemented?

There will be significant costs to industry associated with systems development, producing the report and validating the adjustment invoices. These developments will become redundant once Project Nexus is implemented. Project Nexus will deliver the benefits of accurate settlements via individual meter reconciliation.

Implementation:

What lead-time would you wish to see prior to either of these modifications being implemented, and why?

We do not support the modification proposals.

Legal Text:

We have not reviewed the legal text or ACS.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No.