

Representation

Draft Modification Report

0437S: Retention of MAM Id in Transporter Systems at Change of Shipper

Consultation close out date: 05 April 2013

Respond to: enquiries@gasgovernance.co.uk

Organisation: Wales & West Utilities

Representative: Richard Pomroy

Date of Representation: 5th April 2013

Do you support or oppose implementation?

Not in Support

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

This modification proposal does not facilitate the relevant objectives.

- 1) It will not encourage shippers to fulfil their obligations and will to some extent reward non compliance
- 2) It temporarily hides the problem of suppliers not updating the MAM ID, but does not address it and while it may work while National Grid Metering own the majority of meters, it will not work as they lose market share as smart meters are rolled out. This then increases the likelihood of a larger problem needing to be addressed in a few years' time.
- 3) It is unclear if this proposal applies only to cases where there is a change of supplier but no change of meter or whether it applies to change of supplier with or without a change of meter therefore it is not possible to assess the proposal against the relevant objectives.

At best we consider that this modification proposal does not establish that the proposed change provides industry benefits that compensate for costs in the medium / long term.

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

The Modification Proposal did not justify the change relying on work done in by other bodies and the Modification Report repeated this failing meaning that it was not possible for a new reader to understand in sufficient detail what was being proposed or the arguments in favour of the proposal.

Self Governance Statement:

Do you agree with the Modification Panel's decision that this should be a self-governance modification?

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Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

The proposers states that that this modification supports relevant objective (c), Efficient Discharge of Supplier Licence.

While we understand the potential loss to MAMs who lose track of their assets if suppliers to not update the MAM ID on change of supplier, and the difficulties experienced when a supplier applies to register a new supplier to a supply point and the MAM ID is not populated, we do not believe that this modification will address the problem in the long term. Currently if the MAM ID is missing then the new supplier knows it has to look for the correct MAM, if the MAM ID is listed then it can be reasonably confident that it is correct. If this modification is implemented it seems likely that some suppliers may not update it on the basis that the existing meter is likely to be an NGM meter and therefore keeping the existing MAM ID is correct; however as NGM lose market share this approach will lead to errors. In time this will mean that the MAM ID is likely to be inaccurate and will lead to more costs as new suppliers have to establish the identity of the current MAM.

If the issue is primarily caused when there is a change of supplier with no change of meter it would be sensible to restrict this change to that scenario, it is not clear from the modification proposal whether this is the intention and therefore it is not possible to fully assess whether the proposal fulfils the relevant criteria.

We believe that the way to achieve the Efficient Discharge of Supplier Licence obligations and assist the change of supplier process is for supplier obligations in SPAA to be properly enforced by the competent body. While this may be more painful in the short term we believe that it will have better long term outcomes than will be achieved by this modification.

Additionally we suggest that there could be other approaches to addressing the problems identified that may better fulfil the relevant objectives and that this modification should not be implemented until these have been considered. If they have been considered and rejected then this should be stated. One option may be to modify Xoserve systems to record the history of the MAM ID. This would have the benefit of providing the previous MAM ID as desired by the proposer but also indicating, by the absence of a MAM ID against the current shipper, that that the current shipper did not update the MAM on change of shipper.

We understand that part of the justification for the change is that the process proposed is used in electricity; however this justification is included in the neither the proposal nor the final modification report so it is difficult to judge whether this is a valid comparison.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

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Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

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

To analyse the likely effect of this modification we need to consider four scenarios. The first two consider change of supplier with no change of meter and the second two change of meter.

- 1) Existing meter is NGM meter and is not changed on change of supplier
- 2) Existing meter is not NGM meter and is not changed on change of supplier
- 3) Existing meter is changed but no change of supplier
- 4) Existing meter is change on change of supplier

1) Existing meter is NGM meter and is not changed on change of supplier

NGM or (more strictly NGG who own the meters) will only allow NGM to be MAM to their meters and will **not** rent their meters to another MAM. Therefore when a new supplier takes over supply to a customer with an NGM meter, they either have to replace it or reappoint NGM as the MAM. In this scenario the proposed change will be effective in that it will keep NGM as the MAM which will be correct if the meter is not changed and the new supplier fails to fulfil its obligation to provide the new MAM ID.

2) Existing meter is not NGM meter and is not changed on change of supplier

In this case the existing MAM may be willing to continue as MAM to the new supplier or it may have a policy of not offering MAM services to other suppliers. Even if the MAM is prepared to continue to offer services to the new supplier the new supplier may appoint a new MAM. Where MAMs are not prepared to offer services to the new supplier then the modification will result in inaccuracies if the new supplier either does not appoint a new MAM or does appoint a new MAM and the shipper do not notify Xoserve. In the case where the existing MAM is prepared to offer services to the new supplier and the supplier wishes to use them this change will be effective; however where this does not occur the change will not be effective.

3) Existing meter is changed but no change of supplier (it is not clear if this scenario is included in the change)

This will be the predominant case when smart meter rollout occurs. NGM have stated that they will not install smart meters therefore if a smart meter is installed to replace an NGM meter and the new shipper does not provide a new MAM ID, this modification proposal will result in the illogical situation where NGM is shown as the MAM ID for a smart meter. It may also lead to errors where the meter is not an NGM meter and the existing MAM will not be the MAM for the new meter. Over time this will lead parties to question the correctness of the MAM ID data.

4) Existing meter is changed on change of supplier

In this case it is possible that the MAP and MAM change and also that they do not. In the case that they do change it is very important that the Xoserve systems are updated. In this case if systems are not updated by the new supplier this change will result in incorrect data being kept and in time will lead parties to question the correctness of the MAM ID data.