Representation

Draft Modification Report

0455S - Updating of Meter Information by the Transporter

Consultation close out date: 21 March 2014

Respond to: enquiries@gasgovernance.co.uk

Organisation: EDF Energy

Representative: John Costa

Date of Representation: 21 March 2014

Do you support or oppose implementation?

Not in Support

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

This modification if implemented would allow Transporters the ability to update Meter Information on the Supply Point Register (SPR) where the Registered User or previous Registered User has failed or been unable to perform this and apply a charge where an update occurs. While we can understand the drive for such a modification we cannot support Transporters updating Supply Point meter data that they are not responsible for. Further there is no guarantee that data errors will not continue to exist. This could lead to shippers incurring costs that they cannot recover and could impact their contracts with third parties (MAMs). Any incorrect data inserted will mean further meter updates fail to process and get rejected by xoserve impacting our smart roll out. Also this goes against the “supplier hub” principle that incentivises suppliers to improve their metering data accuracy which Ofgem and DECC have supported as part of the Smart metering programme.

Finally, it is not clear how material the problem is yet the costs stated in the Draft Modification Report could be as high as £300k which, together with the supplier implementation costs, could be higher than this.

Modification Panel Members have indicated that it would be particularly helpful if as part of the consultation process views could be provided on the Workgroup’s recommendation that the self-governance status should be reviewed.

Self Governance Statement:

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

We do not believe that this modification should be self-governance because of the costs and risks it will add to Supplier’s systems and processes. As such if implemented a new implementation timeline

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would need to be agreed that provided a lead time of at least 6 months.

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

This proposal would undermine the supplier hub principle that puts suppliers in charge of key investment decisions to improve metering and accuracy of data especially with smart meters in mind. This was not discussed as part of the modification report but we believe is a key consideration given Ofgem's and DECC's push to promote the supplier hub principle as a way of incentivising the reduction of costs to consumers.

The rollout of smart meters to domestic customers represents a significant opportunity to improve the data that is held on Xoserve's systems as Suppliers are required to visit and install smart meters in the majority of domestic homes. This therefore represents a 5 year window during which accurate meter data can be updated and recorded on Xoserve's systems. However, EDF Energy is concerned that the current arrangements could prevent this opportunity from being realised, as Xoserve are able to reject a meter update because the historical information is inaccurate. This means that an accurate update of metering details is prevented. We are concerned that this modification does not resolve this issue or ensure this once in a lifetime opportunity is realised. We are also concerned that this modification could potentially make this issue worse if the updated transformation is incorrect with no consequence to the Transporter or Xoserve.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

It is not clear whether more accurate meter information and bills will be produced under this proposal, especially under the estimated cost of implementation. Further, this proposal would if implemented dilute the incentives that have been put on suppliers under the Supplier hub principle for managing and improving data accuracy themselves, thereby decreasing the level of competition between shippers and suppliers as Transporters would be intervening in these roles. We are aware of the monitoring and reporting of supplier's performance in exchanging metering data through the SPAA Metering Schedule (MS) Report. There is currently a review of how the MS Reporting could be improved taking place under SPAA. We believe it should be through this reporting and the monitoring of performance that an improvement in the accuracy of Metering Data across industry can be achieved.

Impacts and Costs:

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

We have currently not estimated the costs of complying with this modification however it may involve changes to supplier's systems and processes, on top of the £100k - £300k already identified. We believe that these costs and system changes could be avoided if the systems are updated to ensure that the benefits and opportunities of the Smart metering roll out are realised.

Implementation:

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

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We would expect a lead time of at least 6 months notice to be able to comply fully with this proposal should it be implemented as it may require systems and process changes.

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.

Should this modification be implemented we would expect suppliers to have the ability to reject the new data flows where they believe the data file is worse than that on record.

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