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Registered in England & Wales No 5167070
Registered Office

Smart Metering Implementation Programme – Roll-out Team
Department of Energy & Climate Change
3 Whitehall Place
London
SW1A 2AW

13 October 2011

Dear Sir,

Re: SMIP: Consultation on draft licence conditions and technical specifications for the roll-out of gas and electricity smart metering equipment (August 2011)

Thank you for the opportunity to respond to the DECC consultation on the draft licence conditions and technical specification for the roll out of gas and electricity smart metering equipment. Northern Gas Networks Ltd (NGN) operates as the Gas Transporter (GT) for the north of England and Yorkshire with approximately 2.4million domestic and small industrial and commercial businesses connected to 37,000km of pipeline. In addition to core activities, NGN also enters into commercial contracts with suppliers and Independent Gas Transporters (iGTs) who connect to our network for Post Emergency Metering Services (PEMS).

It is in the capacity of Gas Transporter and provider of some commercial contracts that this response is made, and therefore NGN has only answered the questions directly relevant to its business model. Responses to the relevant individual questions are attached. NGN has not included specific responses to questions relating to supplier activities.

NGN considers that the overriding obligations on suppliers to ensure that only Smart Metering Equipment Technical Specification (SMETS) compliant equipment is installed is likely to have an impact on the current commercial contracts that some suppliers take. The nature of smart metering involves a move from purely metrology equipment to also include communications competencies that are not core to any GDN activity. As a result of this change the current PEMS arrangements would no longer be suitable and suppliers will need to make new arrangements to be assured that they can meet their metering obligations, possibly by extension of existing 24 hour supplier call centres.

In order to ensure that the enduring smart metering regime has clear lines of responsibility for metering equipment installation it would be appropriate to remove the current GDN obligation for provision of last resort metering. The new and wider activities involved with smart metering installation is likely to make it inefficient for GDNs to provide this service in very low volumes.

I hope you find these comments useful and please contact me should you require further information.

Questions

Exceptions and policy issues

13. Do you think under the new and replacement obligation gas suppliers should be given the option to wait for the installation of electricity Smart Metering Equipment before installing the gas Smart Metering Equipment? Please explain your reasoning.

It may be more practical for smart electricity metering equipment to be installed prior to the gas metering equipment, however, this should not prevent suppliers choice in how to plan their roll-out programme.

Current gas metering installers are required to be Gas Safe registered to ensure that connecting onto the GDNs pipeline system is done in a safe manner. On initial installation of smart metering equipment in a premise the WAN communications equipment that will pass data to and from the DCC will need to be installed prior to the electricity meter. The skill-set required to carry out this work is not within the current scope of Gas Safe, and if the gas meter is the initial installation there will be a requirement for more personnel to be in attendance at the installation visit, or suppliers will need to ensure that their installers are suitably qualified to work on both the gas and electricity network elements of the installation.

Under the replacement obligation suppliers may be required to install SMETS compliant gas equipment prior to the electricity being made SMETS compliant, especially where the premise has separate suppliers. Given the likely geographic nature of the roll-out and the time scales involved this scenario could require a supplier to relocate suitably trained staff to areas which they had not yet planned on rolling out gas smart meters to. If there is an option to defer installation of a smart gas meter in cases where the electricity has not yet been installed this may mitigate possible inefficient use of trained staff to respond to unexpected gas metering equipment resulting from the existing equipment failing.

14. Do you think there are any other barriers to gas Smart Metering Equipment being installed before electricity Smart Metering Equipment? Please explain your reasoning.

It is also important to consider that where existing meters are not located to close to each other there may be difficulty in the communications from the second installation accessing the HAN/WAN equipment that will have been installed at the initial installation. It is feasible that suppliers may request that the gas meter location is moved to enable these communications, however a wired link may be more practical and economic to achieve the communications successfully. It is NGNs understanding that this issue will be addressed in more detail in the Smart Energy Code development.

15. What do you think the implications would be of extending the new and replacement obligations to the licences of other relevant parties in relation to installing Smart Metering Equipment in new developments without the involvement of a supplier? Do you think mechanisms other than licence conditions should be considered to achieve the policy objective? Please explain your reasoning.

GDNs currently have licence obligations to provide metering services in last resort scenarios. This obligation is a legacy arrangement and not mirrored in electricity. If GDNs were required to continue to carry out this activity and have the same obligations as suppliers for new and replacement equipment there would be a significant need for training of operatives as smart meter fitters for a very small amount of likely activity. The wider range of competencies required for fitting of smart metering equipment, especially in the initial installation is not a natural fit with the core activities of GDN operatives. Furthermore, the obligations relating to the initial smart installation concerning provision of consumer information, energy efficiency guidance, setting up of the IHD and demonstration of equipment is an activity that should be solely undertaken by the consumers supplier who they have a contractual relationship with. It would therefore be more appropriate for the current last resort obligations to be removed from GDNs to enable clear lines of responsibility for provision metering equipment to be embedded in the enduring smart metering regime.

16. Do you think the roll-out of Smart Metering Equipment has any specific implications for the provision of emergency metering services? Please explain your reasoning.
Provision of metering equipment is a supplier responsibility and GDNs currently carry out meter replacement under a commercial contract when practical following an emergency call out. The primary activity of the GDNs in such call outs is to ensure that the gas installation is left in a safe condition.

Currently not all suppliers choose to take a Post Emergency Metering Services (PEMS) contract with all GDNs and in such cases where a replacement meter is required following an emergency call the GDN will make the installation safe by isolating it and advise the consumer to contact their supplier to arrange the meter replacement directly. In circumstances where a First Call Operative (FCO) is in attendance at a premise where the supplier has a PEMS contract and they receive another emergency call prior to carrying out the PEMS activity, the emergency call will take priority and the consumer is again advised to contact their supplier to arrange for replacement metering equipment.

As a result of the overriding GDN safety obligations and ensuring that emergencies are dealt with swiftly and efficiently PEMS is more suitable as a commercial contract rather than an regulated obligation. GDNs are not primarily meter installers and as a result only offer limited services and meter models through their PEMS contracts. As smart metering installations will involve competencies that are not core to GDN operations, such as interaction with the communications modules, it would be inappropriate for GDNs to be required to offer services above those which are currently managed on a commercial basis allowing the GDN to continue to make safety their main priority.

When the obligations on suppliers to only install SMETS compliant metering comes into force it would be most appropriate for suppliers to ensure that their consumers have a suitable means of contacting them to arrange for replacement metering equipment rather than relying on the existing PEMS contracts. This could be achieved by either have their own 24hour call out services or using a co-operative model to pool resources if appropriate. This will help suppliers to be assured that they are meeting their obligations to only install appropriate equipment and that their consumers are not left with a safe, but isolated supply after a GDN has carried out emergency activity at a premise.

Consequential changes to legislation, licences and industry codes
23. Do you think there are any consequential changes to existing codes needed in order to make the proposed roll-out obligations work correctly? Please explain your reasoning.
NGN is a signatory to both the Uniform Network Code (UNC) and Supply Point Administration Agreement (SPAA). The UNC considers the contractual arrangements between the Gas Transporter and gas shippers and includes the provision of data from shippers when completing meter exchange activity. The asset details for metering equipment is key to ensuring that the calculations to convert meter reads into energy and it is important that the accelerated replacement of metering equipment does not have a detrimental impact on data quality, and therefore energy allocation and settlement.

The current metering data requirements are contained within the RGMA document which is governed through the SPAA. It is expected that there will be some requirements for additional information to be included in the metering data flows to identify the existence of smart meters, but other than this NGN has not at this time identified significant changes required for the implementation of the roll-out proposals.

24. Do you think that there are other requirements that the Government should adopt in the SMETS? Please explain your reasoning.
NGN has noted that the draft technical specifications focuses only on domestic sized metering and that the DCC will be able to offer services to suppliers of industrial and commercial

premises that are likely to have metering larger than a U6 or its equivalent. Some industrial and commercial suppliers have also raised these concerns that the IDTS relates only the domestic metering and that it requires further work to be acceptable for metering installations where larger metering equipment is required.

NGN has also noted that the technical specification for gas meters does not include storage of the full 13 months of data on the meter, but only holds 3 months to minimise storage requirements. The remaining data will be held on the communications hub which has raised a concern that the full data may not be available in the event that a communications hub has been replaced independently of the metering equipment. This is not consistent with the specification of electricity meters and has been subject to some discussion at the DCC Group in regard to ensuring that appropriate access to historic data is maintained in these circumstances.