

Gas Metering Review

Submission prepared by: Nova Energy, Paul Baker

QUESTION		COMMENT
Q1:	<ul style="list-style-type: none"> i. The primary focus for gas meter owners is the supply of metering services on networks where they are also the network owner; ii. Retailers have indicated a preference for dealing with one party to provide both network and metering services because of the operational efficiencies and customer benefits of a more seamless process. iii. Where the network owner is generating demand for new connections, it is logical that it uses its own related metering service for the new connections. <p>Do you agree with this assessment? Why or why not?</p>	<ul style="list-style-type: none"> i. While there is a high correlation between network ownership and metering services, there is no particular reason why metering services should be provided by the network. The current arrangements merely reflect past commercial practises. ii. It is in the network owners' interests to promote dealing with one party to provide both network and metering services in a seamless process. There is no reason why this should be true other than the way in which the networks engage with the retailers, i.e. it is convenient for networks to promote their own metering business, one that does not come under their regulated revenues. iii. Where the network owner has engaged with a developer or consumer to establish a new connection, it would seem reasonable for the network owner to install its own related metering service as long as that service is provided at a similar cost to that available from third party providers. Networks should not be able to use their monopoly position to extract above market rents by virtue of their monopoly role in providing a gas connection for the consumer.

QUESTION		COMMENT
Q2:	Do you have experience with preferred supplier provisions in a GMSA? If so, what effect do you think it has on the market for metering services? Are there any other comments you wish to make about these provisions?	<p>Preferred supplier provisions in the electricity market are related to protecting the Metering Equipment Providers (MEPs) investment in meters in the context of a mass market roll-out, i.e. to the extent possible, ensuring that the retailer contracting to replace legacy meters does not, during the term of the contract, choose to start replacing those AMI meters.</p> <p>Should a retailer and MEP choose to come to a similar arrangement with respect to AMI gas meters, there seems no reason why they should not do so.</p> <p>Network providers should not have exclusive or restrictive arrangements with their own or other MEPs, other than ensuring appropriate technical and installation standards are met.</p>
Q3:	Do you have any observations or comments to make about new connections service request processes? Are they fair, or do they unduly favour certain meter owners?	Retailers (after consultation with consumer when in a New Connection process) should be able to determine what metering type and capabilities are installed at a customer's site, as long as it meets the regulatory requirements. This should not be dictated by the Network or GMS owner.
Q4:	Do you agree that a model GMSA and benchmark terms are not required? Why or why not?	Nova agrees that a model GMSA or benchmark terms between retailers and metering service providers is not absolutely necessary, but it could be useful in standardising service levels and as a benchmark for improving agreements.
Q5:	Given that the template GMSAs for the two largest providers are already broadly aligned, do you consider it likely that a similar outcome will be achieved for GMSAs for advanced metering services? If that outcome were not achieved, what issues would arise for you and would these be significant in terms of cost or efficiency?	<p>Alignment between GMSAs does not necessarily mean that the providers are offering a competitive service. Given the potential for considerable costs involved in installing AMI gas meters, there is also potential for significant disparity in charges between retailers.</p> <p>In an ideal situation, the networks would be neutral between MEPs and use the lowest cost MEP (subject to meeting technical requirements) in every instance of a new connection.</p>

QUESTION		COMMENT
Q6:	Why do you think retailers may not be amenable to moving to separate network and metering services agreements?	Our perception is that the current arrangements are generally adequate and without undue disputes arising; and therefore moving to new, separate agreements have been given a lower priority by retailers than more pressing issues. The metering arrangements cross a number of areas of a retailer's business, and therefore negotiating a new agreement is not a simple process.
Q7:	What is required to incentivise a move to signed, separate network and metering services agreements and what is the best path to achieving that? Alternatively, is this a matter best left to the parties themselves?	Nova suggests leaving the commercial agreements to the parties to sort out. These will be given a greater priority if, or when AMI gas meters start to become more widely used and parties need to enter into new agreements to protect their investment in the new meters. There is a role however for the regulator to maintain a watching brief to ensure that the networks are not using anti-competitive practises to secure growth in their metering businesses.
Q8:	Do you have any views on these issues? Are they issues that Gas Industry Co should advance, and if so, what do you suggest?	Nova is happy to include details of Make, Model and Type of meters in the Registry. Given the serial number of the meter is linked to ICP number, the idea of adding the ICP number to the meter needs further consideration before it is adopted. Given the meters are located outside, the cost is likely to be more significant than for electricity meters, and the potential benefits need to be better quantified.
Q9:	Are there any other comments or feedback you would like to provide in relation to metering services agreements?	
Q10:	Do you have any comments or observations about the state of the advanced gas metering market?	

QUESTION		COMMENT
Q11:	Do you agree with this assessment?	Yes. There is no need to determine file formats until gas advanced metering is actually available.
Q12:	Should Gas Industry Co request that the File Formats Working Group develop a standard construct for advanced metering services and a minimum dataset (and provide assistance to reconstitute the group to include meter owners)?	There may be some benefit to determining standards at an early stage as the process might identify some data sets that should be included that are not immediately obvious or available with all metering types or communications set-ups. For instance: ensuring that daylight savings time is handled in a consistent manner from the outset.
Q13:	Do you agree with this assessment?	<p>Consumers should automatically have rights the data that is accessed by their retailer, i.e. if a consumer is charged for gas on a daily basis then they should have access to information on their daily usage. Where the meter is also capable of providing additional data, such as hourly temperature and pressure data, then the MEP / retailer should have the right to charge for providing that additional information. Such data can be expensive to collect and store and the costs of providing that to the consumer are not necessarily reflected in standard retail tariffs.</p> <p>There is a requirement for establishing meter data security requirements.</p>
Q14:	Do you consider that there are registry-related issues that still need to be addressed to support the deployment of advanced gas meters? If so, please describe the issues that arise and how changes to the registry could resolve them.	No, not at this stage

QUESTION		COMMENT
Q15:	Are there any other comments you would like to make about the Advanced Metering Paper – or about advanced metering in general?	<p>AMI gas meters are likely to remain expensive to install because of the process involved in installation irrespective of the metering technology available. For this reason it is important that the consumer gets a choice in whether they chose to have an AMI gas meter and to decide if they are prepared to pay for the extra costs involved.</p> <p>The technology for AMI gas meters is still developing and the overall features available, benefits, and costs are likely to change quickly over time. To the extent that it can, it is appropriate that the GIC should keep a watching brief on developments, but it may be premature to try to force particular outcomes at this stage.</p>
Q16:	Are there any issues in relation to gas metering-related consumer complaints that you wish to raise?	No