

DCUSA CHANGE DECLARATION

DCP 127 - Gas First Smart Meter Installation

VOTING END DATE: 3 May 2013

DCP 127	WEIGHTED VOTING		
	DNO	IDNO	SUPPLIER
CHANGE SOLUTION	Accept	n/a	Accept
IMPLEMENTATION DATE	Accept	n/a	Reject
RECOMMENDATION	<p>Change Solution – ACCEPT In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was more than 50% in all Categories.</p> <p>Implementation Date – REJECT In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was less than 50% in all Categories.</p>		
PART ONE / PART TWO	Part One – Authority Determination Required		

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A/R)	COMMENTS
DNO PARTIES			
Electricity North West Ltd	Accept	Accept	<p>DCUSA Objectives</p> <p>We believe that the following objectives are better facilitated:</p> <p><u>General Objective 3</u> is better facilitated in order to comply with Distribution Licence Condition 4 <i>"the licensee must at all times manage and operate the Distribution Business in a way that is calculated to ensure that it does not restrict, prevent, or distort competition in the supply of electricity or gas, the shipping of gas, the generation of electricity, or participation in the operation of an Interconnector."</i></p> <p>In order to facilitate competition in gas, suppliers must be able to install gas smart meters independently of the electricity supplier where different suppliers provide gas and electricity to a property</p> <p><u>General objective 5</u></p> <p>Two main EU directives are providing the drivers for smart metering in Europe, as referenced in the European Smart Metering Landscape Report: <i>"With the requirements of Art. 13 of the so-called Energy Services Directive (2006/32/ED, ESD) and the adoption of the Directive on the internal electricity market (2009/72/EC), it became clear that the modernisation of the European meter infrastructure and the introduction of intelligent metering systems will have to happen."</i></p> <p>This change proposal therefore better facilitates this objective.</p>

		<p>Regarding the other objectives, this change proposal is neutral.</p> <p>Overall we therefore believe that this change proposal better facilitates the DCUSA General objectives and should therefore be approved.</p> <p><u>General</u> We do however have to general points to make regarding this change proposal.</p> <p>In the first instance, it would be helpful if Ofgem consider this change proposal as one of three that needs to be determined as a whole and should one fail all three should fail. The other two being:</p> <ul style="list-style-type: none"> • the SPAA change proposal 12/212; and • the MOCOPA change proposal CP0058M. (It is noted that should this DCP fail then the MOCOPA will also fail as stated in their change proposal documentation). <p>We believe that this change needs to be linked back to the Gas Licence hence the need for the SPAA change to also be accepted.</p> <p>Secondly, we are aware of the modification change associated with the losses incentive but we are concerned that should this revert back to energy in/energy out due to more accurate data being available through smart metering consideration needs to be given to the communication hub, not just for 'gas first' installations but for all smart</p>
--	--	---

			metering installations, since none of this energy is measured. We wait with interest any further information Ofgem's discussion with Elexon regarding any settlement reforms in this area.
Northern Powergrid - Northern Electric Distribution Ltd	Accept	Accept	All MOCOPA signatories are aware of our requirements for the authorisation of their staff, in order that they are able to safely remove/replace service fuses.
Northern Powergrid - Yorkshire Electricity Distribution plc	Accept	Accept	
Scottish Power - Manweb	Reject	Reject	ScottishPower Energy Networks does not support DCP127. We recognise that gas first installations will happen but believe these should be detailed in the Smart Energy Code with DCUSA in support. We also do not support a code (SPAA) dictating to gas suppliers to sign up to another code (DCUSA). We are of the view that if DCUSA is the correct vehicle to support gas first installations, gas suppliers should be obligated under their licence not under SPAA.
Scottish Power - Distribution	Reject	Reject	
SSE - Scottish Hydro-Electric Power Distribution plc	Reject	Reject	We have voted to reject the Change Proposal with considerable reluctance, as in principle we do not wish to impede any element of the Smart Metering Installation Programme. However, as we continue to have major concerns in relation to aspects of this Change Proposal we are unable to endorse it. Our strongest concerns relate firstly to the electricity consumption of the installations and secondly to the enduring electrical
SSE - Southern Electric Power Distribution plc	Reject	Reject	

		<p>safety of 'Gas First' communications hubs.</p> <p>With respect to the consumption issues, the level of consideration given to this important matter within the Change Report is wholly inadequate and largely limited to a very brief e-mail extract. This remains an area that requires to be properly addressed to ensure that DNOs justified concerns are not simply dismissed.</p> <p>We recognise this issue is not just related to 'Gas First' communications devices, emphasising that clear direction is required as to how all energy consumption associated with smart metering is to be accounted for. We believe that its is reasonable to expect that detailed arrangements to account for consumption would be formalised and written into appropriate industry governance.</p> <p>In relation to electrical safety, we also remain concerned that there are significant risks that inadequately qualified and skilled personnel may be deployed by suppliers to work on installations, with potentially serious consequences. In particular we are concerned that upon a change of gas supplier the incoming supplier may not have the degree of electrical knowledge and competence to manage the electrical safety elements of a 'Gas First' communications hub.</p> <p>We are unclear as to what legislation is applicable if the ESQCR regulations are not applicable to elements of the installation, operation and maintenance of these devices.</p> <p>Further work is required to expand on and</p>
--	--	---

			formalise the 'guidance document' referred to in the Change Proposal. It is not appropriate for the governance of the operation, inspection and maintenance of these devices over their operating lifespan to be based on relatively informal and non-binding arrangements.
UKPN - Eastern Power Networks	Accept	Accept	We believe this change better facilitates DCUSA objective 3 Licence compliance by facilitating competition in the Gas markets in accordance with SLC 4.
UKPN - London Power Networks	Accept	Accept	
UKPN - South Eastern Power Networks	Accept	Accept	
IDNO PARTIES			
n/a			
SUPPLIER PARTIES			
British Gas Retail	Accept	Accept	British Gas has raised DCP 127 to provide permission to gas suppliers to connect, maintain and remove the gas smart meter communications hub from the incoming electricity supply. This change has been raised as a result of the Department of Energy and Climate Change (DECC) confirming that it would not provide a derogation to gas suppliers to delay the installation of a gas smart meter until an electricity smart meter has been installed. It stated that "Nor does the Government propose, at this stage, to require changes to the detailed industry rules to enable the installation of a gas smart metering system before

		<p>that of an electricity smart metering system. However the Government fully supports such changes, accompanied by appropriate protection to DNOs, and encourages the industry to work to deliver them, and will facilitate such changes where necessary.”¹</p> <p>The changes included in DCP 127 have been agreed by the working group after considering responses from two consultations, two mini consultations and two requests for information. The working group has received responses and representations from Suppliers, Distribution Businesses, Meter Operators, Meter Asset Managers, Meter Manufacturers, Ofgem, DECC and The Health and Safety Executive.</p> <p>British Gas believes that The Authority should approve this modification as it will enable DNO and IDNO parties to meet licence condition 4.1 (The licensee must at all times manage and operate the Distribution Business in a way that is calculated to ensure that it does not restrict, prevent, or distort competition in the supply of electricity or gas, the shipping of gas, the generation of electricity.) Thereby better facilitating DCUSA Objective 3 “The efficient discharge by DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licence”.</p>
--	--	---

¹ Government Response to the Consultation on draft licence conditions and technical specifications for the roll-out of gas and electricity smart metering equipment

			<p>In order to facilitate competition in gas, suppliers must be able to install gas smart meters independently of the electricity supplier where different suppliers provide gas and electricity supplies to a property.</p> <p>We also believe The Authority should approve this modification in line with their wider powers of protecting the interests of consumers in that as outlined in the Change Report appendix 9 gas customers who are able to have a smart meter installed can benefit by £28.86 per annum in gas savings and associated supplier and network benefits.²</p>
EDF	Accept	Accept	<p>We do have some concerns about the potential for having two comms hubs and the confusion this might create for customers and installers.</p> <p>We also have some concerns about the liability caps which are currently aligned with DCUSA. We feel that this will need reviewing in the near future as they have not been updated since 1998.</p>
EON	Accept	Reject	<p>We are minded to approve this change as it may be in the interest of customers to enable gas smart meters and communication hubs before an electricity equivalent has been fitted. We however</p>

² DECC Impact Assessment published in April 2012 "Smart meter roll-out for the domestic sector" A further updated DECC Impact Assessment was issued on 24th January 2013 but none of the benefits data shown below has changed in the updated assessment.

			<p>have a number of concerns that we feel need to be addressed before the change can be implemented and therefore reject the implementation date and suggest that Ofgem direct it is only implemented once they have all been addressed. Our concerns are as follows.</p> <ol style="list-style-type: none">1. This change can only work if the corresponding changes to the SPAA agreement are implemented. At the time of writing these have not been voted on by SPAA parties as envisaged in the change report and are therefore not with Ofgem together, as the change report states was Ofgem's desire. We therefore believe Ofgem should make no decision on DCP127 until it is clear that the SPAA change have been agreed by parties and approved by Ofgem to be implemented either before or in parallel to this change. If the SPAA changes are rejected then DCP 127 should also be rejected by Ofgem.2. We believe that it is essential for the Electricity Supplier and the Distributor to understand when a Gas installation has taken place. Suppliers will need to know what equipment is in place when and if their agents have cause to visit. There will need to be training for these agents to understand how they work with this equipment in the future. This DCP does not cater for this. Distributors may need this information when they are called to a single outage call from a customer to understand if
--	--	--	--

			<p>the installation is causing the problem. Distributors are also under a separate change regarding network SLA's looking to recover costs from Electricity Suppliers for faults that are caused or related to smart installations. For this to work they will need to know who has installed equipment. Therefore there needs to be a mechanism for this information to pass to all parties the most efficient means would be by data flow. This needs addressing before this DCP is implemented.</p> <ol style="list-style-type: none"> 3. Safe and universal working practices need to be agreed before this DCP is implemented. The DCP 127 working group have developed a guidance note for working including when jobs should be aborted. This is not being brought under governance however and therefore parties have no obligation to abide by it. We believe this is a mistake and needs to be agreed and implemented before the acceptance of DCP127. 4. Interoperability issues have not been addressed by this DCP. The change report and guidance notes envisage that where the technology allows that a subsequent Electricity installation should adopt the communication hub installed by the Gas supplier. This may be possible, but there is no means for meter installers of either fuel to ensure that communication is successful. In reality this may not be possible until the
--	--	--	--

			<p>DCC controls communication. This therefore is likely to result in repeated visits by agents to restore communications after they receive an alert from their meter. This then adds extra visits to inconvenience the customer, and destroys the cost benefit that is in the change report. In reality this will probably only work if the two fuels are changed at the same time an option ruled out by the working group purely on the cost benefit analysis without looking at the future issues that will arise.</p> <ol style="list-style-type: none">5. Delays in Electricity meter installations where space is short on the meterboard. Where the Gas installer has left no space for a second communications device and the Gas communication device is not compatible, the Electricity meter cannot be installed. This then delays the benefits a customer can expect from that installation. In reality this reverses the situation that DCP127 is trying to address.6. There may be effects on competition if this DCP is accepted without the previous measures being addressed. If customers are getting a poor experience from their smart meter installations by having to be at home for repeated visits to install and re-connect communications, they will soon look to move a dual fuel supplier. For those smaller suppliers who may only be a single fuel supplier this may have serious impacts on
--	--	--	--

			<p>their ability to compete in the market.</p> <p>Evaluation against the DCUSA objectives.</p> <p>Objective 1. At best this is neutral as the moment only MOCOPA accredited operatives can work on the network therefore there is no change brought about by this DCP. It may be negatively impacted if this DCP is implemented before measures are adopted to mitigate the problems previously identified. Distributors may be attending more single site faults that they are unaware Gas smart equipment has been installed on.</p> <p>Objective 2. At best neutral, but may be negatively affected if this DCP is implemented without addressing the issues previously raised.</p> <p>Objective 3. At best neutral may be negatively impacted as described earlier.</p> <p>Objective 4. No impact.</p> <p>Objective 5. No impact.</p>
Npower	Accept	Accept	N/A
Scottish Power Energy Retail Ltd	Reject	Reject	<p>ScottishPower Energy Retail has never supported DCP127. We have consistently recognised that gas first installations will happen but believe these should be detailed in the Smart Energy Code with DCUSA in support. We also do not support a code (SPAA) dictating to gas suppliers to sign up to another code (DCUSA). We have always been of the view that if DCUSA is the correct vehicle to support gas first installations, gas suppliers should</p>

			be obligated under their licence not under SPAA.
SSE Energy Supply Ltd	Reject	Reject	<p>Whilst we understand that this CP relates only to the permissions to de-energise and re-energise to facilitate "gas-first", we are concerned that a number of areas relating to "gas-first" remain on unresolved:</p> <ul style="list-style-type: none"> • Notification that equipment has been attached to the plant on site • Treatment of electricity consumption by communications hubs • Liabilities on Gas and Electricity Suppliers on Change of Supplier particularly where Gas Supplier may not be party to DCUSA • Responsibilities for the ongoing maintenance of communications hubs <p>That prior to the availability of CSP communications hubs it is unlikely that SMETS1 or SMETS2 meters will be able to share a communications hub. This could result in multiple hubs (both consuming energy) and IHDs at a consumers premises leading to a poor customer experience and eroding the DECC impact assessment</p>