



DCUSA Request for Information

DCP 127 - GAS FIRST SMART METER INSTALLATION

1 PURPOSE

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors, electricity Suppliers and large Generators. Parties to the DCUSA can raise DCUSA Change Proposals (DCPs) to amend the Agreement with the consent of other Parties and (where applicable) the Authority.
- 1.2 A DCUSA Panel Working Group has been established to assess the impact of DCP 127 - Gas First Smart Meter Installation. Further information about gas first installations is in Appendix A.
- 1.3 The Working Group has met five times to develop the associated legal text and consulted with DCUSA Parties in June 2012. The consultation responses were used to review the legal text and to draft a guidance note on gas first installations.
- 1.4 The Working Group requests additional information from Parties to further assess DCP 127.
- 1.5 Parties are invited to provide their responses on the attached form, via email to dcusa@electralink.co.uk by **10 August 2012**.

2 REQUEST FOR INFORMATION

Reporting

- 2.1 Following its review of the responses to its consultation, the DCP 127 Working Group has determined that there is no need for any reporting to be done between parties and/or agents regarding the installation of gas comms hubs.
- 2.2 The first purpose of this RFI is to seek information from parties and agents if they disagree with this stance. In that case please provide details of the information you require and explain why you need it.

Guidance Note

- 2.3 Following comments made in response to its consultation, the DCP 127 Working Group has developed a Guidance Note (Attachment 2). This is intended to be a high level summary and is not intended to cover every scenario in depth.
- 2.4 The DCP127 group is seeking comments on the form and content of this document.

Governance of Guidance Note

- 2.5 In addition the DCP 127 Working Group is seeking views on the governance of such a document. For example should it be a "code subsidiary document" under full DCUSA governance, should it be referenced in the DCUSA but only updated if anyone perceives a need for it, say under the control of the Panel, or does it serve its purpose having been written and has no need to be further developed?
- 2.6 Please send your responses to these three issues:
 - a) What reporting do you require and why, when gas comms hubs are installed?
 - b) Please give feedback on the guidance note as attached.
 - c) How should the guidance document be change controlled if at all?

3 RESPONDING TO THIS RFI

- 3.1 Responses should be submitted using the response form in Attachment 1 via email to DCUSA@electralink.co.uk no later than **10 August 2012**.
- 3.2 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate which parts of the response are to be treated confidentially.

APPENDICES AND ATTACHMENTS

- Appendix A – DCP 127 Overview
- Attachment 1 – Response Form
- Attachment 2 – Gas First Guidance Notes
- Attachment 3 – DCP 127 Change Proposal

APPENDIX A – DCP 127 OVERVIEW

The government has recently announced its decision to require all energy suppliers to complete the rollout of smart meters to their domestic and smaller non-domestic customers by 31 December 2019.

This government decision has been based on a benefits case which shows a net benefit of over £7 billion to Great Britain overall. Some suppliers are practicing early deployment of smart meters enabling consumers to realise the benefits of a smart meter ahead of mass roll out in 2014. Currently smart meters are typically dual fuel installations where the smart meter communications hub is powered by the incoming electricity supply. Where a customer is supplied by different suppliers for their gas and electricity and in order to facilitate a competitive energy market, a solution is required to enable a gas only smart meter to be installed independently of the electricity meter. A supplier has been working with manufacturers to supply a gas only communications hub that can be fitted onto the incoming electricity supply.

In previous DECC smart meter consultation responses it was suggested by some parties that gas only suppliers should be given a derogation from having to fit a smart meter until the supplier of the electricity was ready to fit its smart meter. In the "Government response to smart metering roll-out consultation" the government announced its decision not to provide this derogation and it further commented:

"Nor does the Government propose, at this stage, to require changes to detailed industry rules to enable the installation of a gas smart metering system before that of an electricity smart metering system. However, the Government fully supports such changes, accompanied by appropriate protection for the DNOs, and encourages the industry to work to deliver them, and will facilitate such change where necessary."

DCP 127 has therefore been raised by Centrica. It seeks to amend the DCUSA to cater for the commercial impacts of the installation of smart meters for a gas supply in advance of the fitting of an electricity supply smart meter at a given premises. The commercial impacts arise from the need for the industry relationships to be formalised, a need for the gas supplier's meter operator to have permission to work on the

distributor and electricity supplier's MOP's equipment and arrangements for limiting the liability of parties if anything were to go wrong.

Under the current industry framework, the de-energisation and re-energisation of the electricity supply is under the control of the registered electricity supplier, which may be a different party to the gas supplier for whom this work is being undertaken in a gas first scenario. In addition, under the electricity framework, the distributor permits only the registered electricity Meter Operator to carry out such works on his equipment (see Meter Operator Code of Practice Agreement¹). The intent of DCP 127 is that the gas supplier's Meter Asset Manager would be permitted by both the electricity supplier and the electricity distributor to De-energise the electricity supply, fit a gas comms hub and Re-energise the supply.

For clarity, gas suppliers would not be obliged to become a party to the DCUSA unless they wanted to take advantage of the gas first arrangement.

It should be noted that a gas supplier wishing to install gas smart meters first, could enter into a commercial arrangement with an electricity supplier in order to do so. This would mean the gas supplier would have to become an agent of the electricity supplier, in order to make use of permissions already given to electricity suppliers by distributors. In this circumstance there would be alignment with the industry framework with no need to change any industry codes. The proposer feels that having permissions documented within the DCUSA gives visibility and transparency to all electricity suppliers and new entrants. Also that it is more practicable for administration purposes, rather than having to enter into bi-lateral arrangements with any supplier of a premises at which a relevant gas meter is installed.

The proposal raised under DCP 127 is that a gas comms hub may only be fitted by the gas supplier's agent at premises which are already energised and have a dumb electricity meter installed. The intent of the proposal is not to allow gas comms hubs to be installed at new premises in advance of electricity metering work being undertaken and the attached legal text supports this by limiting the circumstances in which permission is granted.

¹ MOCOPA Schedule 5

The proposer has stated that they believe that the gas comms hub should remain under the ownership or control of the gas meter operator until the enduring solution for comms hub ownership has been agreed by industry.

An example of the type of equipment currently being considered by one supplier is shown below, where the gas comms hub is close coupled to the meter. Other solutions may be being considered.