

1. AMO Response DCUSA DCP 008

1.1. Purpose

This document captures the comments received by the AMO Consultant. The AMO members do not have a vote within DCUSA so the requested information was different to the DCUSA consultation. MO parties may have responded directed to DCUSA, you through other company relationships. The AMO Members had sight of all the DCUSA consultation documents.

1.2. Consultant Comments

Having been involved in many of the workgroup meetings I would add the following comments:

Metering is a competitive activity, the comments from members indicate the diversity of the current approaches, summarised by the statement "...let suppliers negotiate contracts as they think fit to give the level of service that they think befits company's image." The industry "standard" agreements are notoriously difficult as they please no one.

If there is a GB wide need to provide a standard service level then an appropriate route may be through adapting the Guaranteed Standards of Performance relevant to prepayment meters to be broadened to include all meter faults. This standard has apparently satisfied the market for years.

The experience in South Wales would be interesting to explore.

At the working group the supplier representatives' (with exception of Centrica) did not believe that they have access to a 24/7 metering service. At the recent AMO AGM the representatives indicated that they all already provide a 24/7 metering service. This difference of views is a concern. The comments below indicate a variety of views.

I have raised a concern with the DCUSA Secretary about the Competition Act implications of introducing new requirements on parties through DCUSA. Provision of metering services is a competitive activity requiring metering services to be provided in this way could be regarded as anticompetitive.

The experience of PEMS is that 10% of emergency visits result in meter work – this is a very high proportion. Electricity (and gas) meters are inherently reliable, so there is considerable concern from metering companies as to the volume of activity, costing the metering industry around £5m/year. There is no desire to duplicate this unmanaged cost in electricity.

The whole of this debate (and consultation) has occurred in a vacuum of numbers. Broad comments have been made of the number of visits, which have varied significantly across the country. The working group should require numbers emergency metering faults by DNO area for the year 2007/08. This is a fundamental starting point for the business justification for the mechanism to provide a UMET service, how it would be provided and charged. For example, if there are only 5 meter faults resulting in loss of electricity supply per month in a DNO area that is quite a different issue to 500/month (similar to gas).

The DNO cost recovery, or charging structure, is predicated on the numbers and costs. 5 jobs per month leads to a heavy overhead on training/stock with a small number of jobs to charge them against, this lends itself to a fixed fee for 'service availability'. If the numbers are around 500/month/DNO then a pure transactional cost would not be too risky.

Is a second operative (MO) visit overall more cost effective? Once an operative is at site then it would appear to be cost effective to enable that staff member to complete the supply restoration, however it means that all the Distributor 'first responders' have to carry a stock of meters and be trained/capable to fit/replace meters. There must be sufficient 'first responders' to be available to respond to 'loss of supply calls' and where there are not available they will not respond to the "optional" activity of responding to metering fault calls. Under most options, the Distributor 'first responder' is only required to restore supply using a single phase, single rate, whole current meter, in a percentage of cases this will require the MO to return subsequently to fit a prepayment meter or multi-rate meter (and in the future, a smart meter). If the charging regime follows the gas model then the MO/MAP will be the recipients of the invoice for the work "...to fix the MO/MAPs faulty meter or workmanship...". As the MO/MAP is not party to the relationship with the Distributor they have no influence over the costs, SLA or circumstances (such as customer

damage) where meters are changed. This raises the similar concerns as under the gas model where 10% of emergency calls result in thousands of chargeable PEMS jobs each month.

In the event that UMeTs is agreed then a requirement should be included to ensure that a clear report of what work was done under UMets and why it was done which could flow from the Distributor to the Supplier to the MO. It continues to appear to me that failure to provide this information will cause arguments into the future.

2. AMO Questions/Answers

2.1. Please confirm (or not) whether as an MO you offer your suppliers a NHHMO service 24/7 in all the GSP Group areas that you operate as a NHHMO?

JPW NHH MOA – [xxx] – 24/7 (JPW arrangement soon to cease)

[xxx] provide a 24/7 service 365 days

In the [xxx] GSP Areas we provide a service 08:00-20:00 outside of these hours power loss visits are carried out by the local distributor if the fault is identified as metering related the service is restored by bypassing the meter and a visit for the NHHMO is arranged for the following day.

[xxx] do not currently offer a 24/7 service

No

2.2. If you do, do you have a standard callout to visit timescale that you work to? Do you have other arrangements, for example long working hours, with a core period (eg midnight to 07:00 where you do not respond)

Yes

We respond within 3 hours Mon to Fri and within 4 hours Sat and Sun and Bank Hols, this is 24 hours per day

No

N/A

n/a

2.3. If you do not currently offer a 24/7 service would you establish one if suppliers' requested?

Not applicable [change of management]

Already in place

If approached we would explore the possibility with the supplier in a positive manner

Any decision to offer a 24/7 service would be based on the level of interest from suppliers, the volume of work and the cost the market would be prepared to bear

Yes, but somewhat reluctantly – it is likely to be an extremely expensive route for the Suppliers, since the density of metering points to which a new entrant MO is appointed is going to be much lower than that for a Distributor.

2.4. Based on the outcome of this consultation would you be willing to provide Ofgem directly with cost/price information that they could then use to compare the competitive MO model with the approach proposed by the DCUSA consultation?

JPW Contract (published prices)

I don't see this as relevant, this is not about the cost to do the job, this is about customer service and the "industry" meeting the expectation of the nation. [xxx] would dearly love to be told of every metering job and will attend, however we believe that it is more customer friendly that once a representative of "the industry" is on site and they have the skills to fix the problem temporarily, they should do so, for their own safety and that of the customer

We would assess such requests on a case by case basis

Without indicative volumes this would be difficult

Yes – we would be willing to engage with Ofgem directly to discuss details.

2.5. If Distributors ceased their current practice of attending meter faults, or fixing meter faults when found, do you think that would have any negative consequences on customers? How could that impact be mitigated?

WPD ceased its JPW MO business in South Wales last year. In South Wales WPD Dis Bus has not attended meter faults since then. Any supply faults that turn out to be meter faults are referred back to the supplier. Only if the customer is vulnerable is the meter bypassed. There is guidance on whether a customer is vulnerable, and permission needs to be sought before a meter is bypassed. I would suggest supplier opinion should be sought whether the South Wales experience has provided an adequate level of service.

There is always the potential that the customer has an accident during the period between the DNO attending and the MO attending. A specialist UMETS meter would resolve the issue, however this would need funding and agreement between all parties in its operation.

We believe that our current arrangements have minimal impact on the consumer as in all cases of metering faults a supply is restored on the first visit.

Yes, in instances where the Distributor attended an off-supply that is identified as a meter fault on site and the Distributor walks away requiring a follow up visit from the supplier's MOP. This could potentially expose the MOP to unrealistic expectations to respond to these customers and potentially drive complaints.

Yes – and there would also be a negative impact upon Suppliers (especially small ones).

2.6. Do you have a favoured option, including the 'no change option' of the status quo.

It is supposed to be a fully competitive activity – let suppliers negotiate contracts as they think fit to give the level of service that they think befits company's image.

My favoured option is for a specialist UMETS meter that has a finite period of supply before disconnection, these to be operated by the DNO and only have the ability to be operated by them, potentially on a throw away basis.

We do not favour any of the proposed options.

Assuming appropriate controls are in place around cost, data provision and return of assets then there is an argument for a one visit approach. The best placed party to provide this is the DNO

The primary drivers here are considered to be overall cost and effective customer service. Of the four options suggested, [xxx] would favour Option C - although we would operate with any way forward where the provision of the UMETS out-of-hours service by the DNO is available to the Supplier. A metering fault identified in-hours would be referred to the Supplier and MOs would provide an urgent response (scenarios 1, 3, 5 and 7). This does not actually feature as a separate option.

Making two visits to a property out of hours seems to be particularly poor customer service and expensive to operate from an industry perspective.

Suggest a further option:

Telephone Call – Metering Fault identified – Not Vulnerable	1 In hours	Refer to Supplier
	2 Out of hours	UMETS applies
Telephone Call – Metering Fault identified – Vulnerable	3 In hours	Refer to Supplier
	4 Out of hours	UMETS applies
Site Visit – Metering Fault identified – Not Vulnerable	5 In hours	Refer to Supplier
	6 Out of hours	UMETS applies
Site Visit – Metering Fault identified – Vulnerable	7 In hours	Refer to Supplier
	8 Out of hours	UMETS applies

‘In hours’ could imply more than normal ‘office hours’ – thus including early evening and weekend. In such circumstances, ‘refer to Supplier’ might include the provision of an automated call forwarding service by the Supplier, and delegated authority by the Supplier to the MO within the extended ‘in hours’ periods.

There appears to be considerable room for further discussion within the overall principles of efficient and effective service provision.

Additional credit – ‘wind on’ – to a PPM should wherever possible be checked with the Supplier before being carried out. - YES

Meter exchanges where the existing meter is PPM should only be performed where absolutely essential – i.e. all other courses of action have been exhausted. YES

DTC dataflows must be sent by Distributor to MO whenever work has been carried out that alters metering. These flows must be promptly sent, as must the allied e-mailed readings. YES

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