

SPAA CHANGE PROPOSAL FORM

This form should be used by SPAA Parties who wish to raise a draft or a formal Change Proposal.

Originators - Please complete this form and submit to spaa@electralink.co.uk. The CP will be issued in the next available Change Pack or to the relevant group in SPAA.

| Document Control | |
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| CP Status: | Draft |
| For Issue to: | SPAA Parties |
| CP Number*: | CPD 16/351 |
| Title of Change: | Change of Supplier Meter Reading Process for Smart Meters |
| Version Number: | 1.0 |
| Change Pack Ref*: | August 2016 |
| Attachments: | Attachment 1 – Schedule XX (new Schedule) Attachment 2 – Schedule 11 Attachment 3 – Schedule 12 Attachment 4 – SPAA Technical Glossary |

* Assigned by SPAA Change Control Administrator

| Originator details | |
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| CP Details | |
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| SPAA Parties believed to be impacted: | <i>Domestic Suppliers / I&C Suppliers</i> |
| Proposal to Change the following aspects of SPAA and/or SPAA Products: | Processes for the generation of Change of Supplier meter readings for DCC serviced Smart Meters. This will require changes to: <ul style="list-style-type: none"> • Schedule 11 • Schedule 12 |

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| | <ul style="list-style-type: none"> • Schedule 29 • Schedule xx (new Schedule) • SPAA Technical Glossary |
| <p>Change Proposal Summary:</p> | <p>With the rollout of Smart Metering, changes will be required to the existing Change of Supplier Meter Reading processes to enable timely and accurate closing and opening reads to be obtained by the Old and New Suppliers. These changes are mainly required because Suppliers are likely to use Tariff TOU Register Matrix readings on a Smart Meter as the basis for customer billing, however these are not the readings that will be used by the Gas Transporter for settlement purposes. They will use the Consumption Register reading.</p> <p>New processes will be required to enable the Old and New Supplier to communicate the readings for Consumption Register and Tariff TOU Register Matrix directly with each other. The current processes for sending reads to the Gas Transporter for Change of Supplier will remain as is, meaning that no consequential changes will be required to the Uniform Network Code as a result of the implementation of this CP.</p> |
| <p>Impact on User Pays:</p> <p>A Rough Order of Magnitude (ROM) can be requested when a CP impact a system and/or process operated by The Large Transporter's Agency.</p> <p>See the SPAA Change Guideline and Section 4.8 of the SPAA for further information.</p> | <p>No</p> |
| <p>Related CPs:</p> <p>Please indicate if this CP is related to or impacts any other CP already in the SPAA or other industry Change Process.</p> | <ul style="list-style-type: none"> • It is proposed that a new smart read flow (SMRF) is introduced which both the Old and New Supplier will use to communicate the COS smart meters reads between each other. The transfer mechanisms of this flow will be DTN. It is anticipated that the costs for introducing this new flow will be recovered through regulated charges as per set out in the Data Transfer Agreement (DTSA). • A consequential UNC Modification will be required alongside this CP to introduce the definition of 'Consumption Register' into the UNC. The current processes for sending reads to the Gas Transporter for COS will remain as is, meaning that there will be no changes to the settlement arrangements under the UNC. However, as part of the solution, new Suppliers will, via their Shipper, be required to send the reading for the Consumption Register to the |

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| | <p>Gas Transporter for use in settlements as per current processes. Not defining this term in the UNC results in having a gap in the process i.e. putting an obligation on Shippers to send through a certain type of information to GTs which is undefined. Incorporating this definition within the UNC also serves an additional purpose in that it provides a possible hook to all Shippers – incl. those which have a vertically integrated I&C Supplier business – to adopt the proposed process. The Smart COS Meter Reading Working Group extensively discussed the inclusion of I&C Suppliers into this process, however concluded that it making it mandatory for all I&C Suppliers to adopt the process would be unfeasible unless relatively significant changes are being made to the code, either through licence obligations, or through partial accession/obligations in line with what was introduced as part of complying with theft arrangements. The working group therefore agreed that non-SPAA Parties should not be considered within the scope of the new process. Instead, a pragmatic approach has been adopted by introducing the definition into the UNC and incentive I&C Suppliers to voluntarily use the new process. It should be noted that where a UNC change is required to introduce the new definition, this will not have any impacts on the new SPAA process and the progression of this SPAA CP will not be impacted by the related UNC modification.</p> |
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Why change?

Describe the problem that this CP addresses:

The Smart COS Meter Reading Working Group, which developed the proposal, agreed that the current COS Meter Reading processes is not fit for purpose for DCC serviced Smart Meters. With the rollout of Smart Metering, changes will be required to the existing COS Meter Reading processes to enable timely and accurate closing and opening reads to be obtained by the Old and New Suppliers.

Smart Metering introduces the concept of four Tariff TOU Registers and the Consumption Register Reading for a gas meter. Under current arrangements, Tariff TOU Registers are not catered for. The Tariff TOU Register readings on a DCC serviced smart meter are the registers on a meter that are allocated times and prices, and may be used as the basis for customer billing. The Change of Supplier arrangements therefore need to ensure that both the Old and New Supplier are able to access the same readings on the Tariff TOU Register Matrix to ensure that customers with DCC serviced Smart Meters are billed accurately to the same reading(s) and on a timely basis. The sending of this data directly from the New Supplier to the Old Supplier achieves this outcome.

For the avoidance of doubt, the Tariff TOU Registers will only be used for customer billing; the Consumption Register reading should be used by Gas Transporter for settlement purposes.

New processes will be required to enable the Old and New Supplier to communicate the readings for Consumption Register and Tariff TOU Register directly with each other.

The introduction of the new flow supports the introduction of multiple Gas Time of Use tariffs. Where there is currently no restriction to using a single Time of Use tariff register this solution would allow future tariff innovation.

Proposed Solution:

In order to enable the Old and New Suppliers to obtain readings for the Tariff TOU Register Matrix on a DCC serviced Smart Meter at the same point in time on the Change of Supplier date. In line with the electricity arrangements (P302) and to mitigate the risks of customers being under or over billed at CoS, the process will continue to be New Supplier driven. The following changes are proposed:

New SPAA Schedule:

A new Schedule will be created that will detail the process steps to be followed for a Change of Supplier on a Smart Meter enrolled in the DCC. This schedule will require the Old and New Suppliers to take the following steps:

- The Old Supplier will take a reading from the Smart Meter prior to the loss and send this to the New Supplier via a new dataflow. This reading will contain readings for the Consumption Register and Tariff TOU Register Matrix on the meter.
- The New Supplier will take a reading at the point that they update the DCC serviced Smart Meter with their tariff and send this to the Old Supplier via a new dataflow. It is anticipated that this will be as soon as possible at the start of the gas day when the New Supplier takes responsibility of the meter. This reading will contain readings for the Consumption and tariff (Time of Use) Registers on the meter.
- The Old Supplier will validate the reading received from the New Supplier against their billing history and will either use it to bill the customer, or initiate the disputed reads process if they believe it to be incorrect.
- The Old and New Suppliers will make reasonable endeavours to ensure that the Consumption Register reading entered in the settlements is the sum of all four Tariff TOU Register Matrix to ensure there is no difference between the Customer's billing and the Suppliers' settlement charges.
- The New Supplier will, via its Shipper, send the reading for the Consumption Register to the Gas

Transporter for use in settlements as per current processes.

- Upon configuration of application of its tariffs the New Supplier should always start at Time Of Use Register 1 for a Single Rate tariff. Multi rate tariffs will then use consecutive registers (e.g. 2 rate would use Register 1 followed by Register 2). This would ensure that throughout Change of Supplier final and opening billing, consumers will see consistent meter readings and will mitigate risks of under/over billing.

Changes to Schedule 11:

Changes are required to Schedule 11 in order to align with the new process detailed in Schedule xx and to enable disputes to be raised as a result of incorrect Smart Meer Readings or the absence of Smart Meter Readings on the Smart Meter Read Flow (SMRF).

The rules for Smart CoS disputed read tolerances will remain aligned with the non-smart disputed read tolerances as set out in the schedule. This will ensure we follow common process for both smart and non-smart reads which will result in the minimal impact on the suppliers operationally and the customer. It is recommended to review these rules as a post –implementation check to validate they are fit for purpose.

Changes to Schedule 12:

Changes are required to Schedule 12 as a consequence of the introduction of 4 optional fields in SAR to cater for the Time of Use Register readings, however where more than 1 Time of Use Register readings is used, the Suppliers should populate all of the used reads as per the rules set out in Schedule 11

Changes to Schedule 29:

Changes are required to Schedule 29 to introduce the following definitions:

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| “Smart Meter Readings” | A combination of the Consumption Register and the Tariff TOU Registers Matrix; |
| “Time of Use Register Matrix” | A combination of the Tariff TOU Registers; |
| “Consumption Register” | The Register on a Smart Meter which records the total consumption of the units used; |

The SMRF will be transferred via the Data Transfer Service.

How will the CP better facilitate the SPAA relevant objectives:
Refer to Standard Condition 30, 30.6 of the Gas Suppliers License.

| Relevant Objective | Explain why the CP meets the objective(s) |
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| <p>a) Development, maintenance and operation of an efficient, coordinated and economical change of supplier process.</p> | <ul style="list-style-type: none"> • This change seeks to align customer outputs to the electricity changes to ensure that customer expectations of the Change of Supplier process are uniform across both fuels. • Suppliers may be using the four ToU readings for customer billing purposes and implementation will support future tariff innovation. • The consistent use of ToU Tariff Registers mitigates the risk of consumers being under or over billed upon CoS. |
| <p>b) Furtherance of effective competition between Gas Suppliers and between relevant agents.</p> | <ul style="list-style-type: none"> • The proposed changes ensure that both the Old and New Supplier are able to access the same readings on the Consumption Register and Tariff TOU Register to ensure that customers are billed accurately and on a timely basis. In the absence of not having such process in place, there is no mechanism to exchange the Tariff TOU Register Matrix between Gas Suppliers and between relevant agents, which in effect could lead to an increase of disputes and therefore impact effective competition and customer satisfaction. • The 4 ToU registers are inherent to the functionality and specification of smart meters. By not building the solution around the capability of having different ToU registers, both Suppliers and Consumers will be limited in the future in offering/receiving innovative and flexible tariffs and products. This solution supports Suppliers which choose to utilise Gas Time of Use tariffs and those who do not. |

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| <p>c) Promotion of efficiency in the implementation and administration of the supply point administration arrangements.</p> | <ul style="list-style-type: none"> Working Group agreed that the introduction of a new Smart Meter Read Flow (SMRF) would be more cost effective and less operationally disruptive than modifying existing UKLink or NOSI flows to accommodate the Tou Tariff Register Readings. |
| <p>d) So far as is consistent with sub-paragraphs (a), (b) and (c), the efficient discharge of the licensee's obligations under this licence.</p> | |
| <p>e) Establishment, maintenance and operation of the Meter Asset Manager arrangements.</p> | |
| <p>f) Securing compliance with standard condition 12A of the Gas Suppliers Licence [Matters relating to Theft of Gas].</p> | |
| <p>g) compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.</p> | |

Proposed Implementation Technique:

Big Bang

Proposed Implementation Date:

June 2017

Authority Consent Required:

Please provide the reason Authority Consent is/is not required. Authority Consent is required when a change is of a material nature. See the SPAA Change Guideline and Section 9 of the SPAA for further information on the Authority Consent Process.

| Authority consent is required for the following: | List all applicable | Material impact? Provide reasons why |
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| <ul style="list-style-type: none"> ● The CP impacts SPAA Clauses: ○ Clause 4.2, Clause 4.4, ○ Clauses 5.1 to 5.5 (inclusive), Clause 5.15, ○ Clauses 6.1 to 6.17 (inclusive), Clause 6.30, Clause 6.37, Clause 6.38, Clause 6.40, Clause 6.43, Clause 6.44, Clause 6.48 to Clause 6.50 (inclusive), Clause 6.52, ○ Clause 7.1 to 7.4 (inclusive), Clause 7.13, Clause 7.22 to Clause 7.26 (inclusive), ○ Clause 8, Clause 9, Clause 10 and Clause 14. | | |
| <ul style="list-style-type: none"> ● The CP impacts any definition in SPAA Clause 1.1 which materially affect the provisions in the Clauses set out in Clause 9.1.1 (see above); or | | |
| <ul style="list-style-type: none"> ● The CP impacts any provision of SPAA which requires or permits any matter to be referred to the Authority for approval, consent, direction or decision or confers any rights or benefits upon the Authority. | | |
| <ul style="list-style-type: none"> ● The CP makes a Voluntary or Elective Schedule Mandatory; or ● The CP introduces a new Mandatory Schedule | | |
| <ul style="list-style-type: none"> ● The CP has a significant impact on the interests of gas consumers; or ● The CP has a significant impact on competition in the distribution of gas / the supply of gas; and any commercial activities connected with the distribution or supply of gas; or ● The CP is discriminate in its effects between one Party (or class of Parties) and another Party (or class of Parties). | | |
| <p>The proposed changes are material (delete as appropriate)</p> | <p>YES</p> | |

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| <p>The CP requires Authority consent (delete as appropriate)</p> | <p>YES - Authority Consent will be required as this change involves:</p> <ul style="list-style-type: none"> • The introduction of a new Mandatory Schedule. • The CP has a significant impact on the interests of gas consumers; or • The CP has a significant impact on competition in the supply of gas; and any commercial activities connected with the supply of gas; |
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Development Workgroup

For any change proposal that requires Authority Consent, the change guidelines encourage the proposer to refer the CP directly to a Workgroup for development and consideration of relevant alternatives.

Background

Supply Point Administration Agreement (SPAA) Change of Supplier (COS) Smart Meter Reading Working Group was previously set up following a request¹ from Ofgem. The aim of the Working Group was to consider any relevant changes to the gas COS process to improve its efficiency in the context of smart meters and to align outcomes for consumers when switching gas and/or electricity. The findings of the Uniform Network Code (UNC)/SPAA COS Smart Meter Read Working group were set out in an interim report², which was presented to and approved by the UNC Panel, the iGT UNC Panel and SPAA Executive Committee at their respective meetings in July 2014. The outcome of the SPAA (COS) Smart Meter Reading Working Group resulted in CP 15/301³ being developed and progressed through the SPAA Change Process, and voted on at the December 2015 Change Board. CP 15/301 was rejected by the industry, before being rejected by the Authority in early 2016. The Authority rejected CP 15/301, mainly concluding that the relevant SPAA objectives were not better facilitated by its implementation.

Working Group discussions

As per Ofgem's recommendation, SPAA Parties reconvened the Working Group to liaise with all relevant stakeholders to re-examine the issue of transferring meter readings from DCC-enabled smart meters, and consider all viable options. The Working Group reconvened during June, July and August 2016. Whilst assessing the best way forward in developing a suitable solution, Parties agreed the following assumptions which the preferred solution should meet:

- The end user customer needs to be billed accurately in a timelier fashion to achieve the benefits of a Smart device;
- The process must be New Supplier led;
- Non SPAA Parties should not be considered within the scope of the new process;
- A Smart disputes process is required; and
- The customer experience of this process should mirror P302 and Suppliers should take a consistent approach.

The solution which is being proposed under this CP builds on CP 15/301 by addressing all the comments which had previously been submitted by Parties during the comments and indicative voting period.

Post implementation Review

It is envisaged that a post implementation review of the solution will take place, during which appropriate arrangements and measures maybe agreed on to monitor the effectiveness and timeliness of SMRFs being exchanged between Parties. This is out of scope of this CP.

¹ Ofgem published an open letter on the 17th December 2013: [open letter on potential reforms to the change of supplier \(COS\) meter read process for smart gas meters](#).

² Gas Smart Change of Supply project – Interim Report

³ Changes to the Change of Supplier Meter Reading Process for Smart Meters