

## Representation - Draft Modification Reports

**UNC 0633V - Mandate monthly read submission for Smart and AMR sites from 01 February 2018**

**UNC 0638V - Mandate monthly read submission for Smart and AMR sites from 01 April 2018**

**Responses invited by: 5pm on 11 January 2018**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Dr. Tom Steward
<b>Organisation:</b>	Good Energy
<b>Date of Representation:</b>	05/01/2018
<b>Support or oppose implementation?</b>	0633V - Oppose 0638V - Oppose
<b>Preference:</b>	<i>If either 0633 or 0638 were to be implemented, which would be your preference?</i> 0638V
<b>Relevant Objective:</b>	d) Negative

**Please note: this consultation is aimed at establishing if the content / effect of the variation have caused you to change a view that you previously expressed, or to take a view that you had not previously considered. Please note any representation received in respect of Modification 0633 0638 will be carried forward should parties not wish to change their original representation.**

**Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)**

Our opposition to both modifications is on the grounds that as currently drafted they both risk distorting competition in the retail market. This is because the costs that small suppliers, such as Good Energy, would face to comply would be significant. In order to comply, suppliers must put in place an arrangement with a Smart Meter System Operator (SMSO) for the interim period before SMETS1 meters are adopted into the DCC, currently planned for June 2019. For the small number of SMETS1 meters we have inherited, this would place a significant cost on our customers – creating a distorting effect on competition. This fundamentally goes against the objective of the code to support greater competition between industry participants, as it favours larger suppliers with greater resources and larger customer bases across which to smear costs. To approve either modification as currently drafted would create an uneven playing-field. An alternative modification which brings this requirement in line with

adoption of SMETS1 meters by the DCC would satisfy the spirit of the CMA order, whilst being deliverable by smaller suppliers from a practical point of view, and therefore maintain a greater level of competition. It is not clear that the competitive benefit asserted in the modification proposal between the introduction of the modification, and adoption of SMETS1 meters by the DCC, outweighs the significant costs of meeting the obligation for this period.

**Implementation:** *What lead-time do you wish to see prior to implementation and why?*

As set out above, we would support linking introduction in line with adoption of SMETS1 meters by the DCC.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

The costs of meeting the requirements of this modification would be overly burdensome for a small supplier.

**Legal Text:** *Are you satisfied that the legal text will deliver the intent of the Solution?*

**Modification Panel Members have requested that the following questions are addressed:**

*Q1: Is this proposal inconsistent with the CMA requirement?*

The CMA exists to promote competition for the benefit of consumers – as currently drafted this modification would reduce competition. Therefore, we believe this is not consistent with the CMA’s requirement.

*Q2: Do you believe there are any implications and/or consequential impacts that this proposal might have on Transporters’ “must read” obligations?*

N/A

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

N/A

**Please provide below any additional analysis or information to support your representation**

N/A