

Ofgem & ELEXON Meeting 14th Mar 2008

As a member of UMSUG I attended a meeting at Ofgem to discuss some of the issues raised in ELEXON expert group meetings. This is a brief note of my interpretation of the discussion.

500 Watt Rule

Some Distributors are rigorously enforcing the “500 watt limit” for unmetered connections. Ofgem highlighted that the SI 3263:2001¹ has an ‘or’ after the 500 watt figure which allows the cost and practicality of metering to be considered – this means the unmetered connections can be provided above 500 watts where costs of metering or technical constraints justify. Ofgem are currently not prepared to provide generic guidance, it is expected that this will emerge after customers bring forward examples as part of a determination to create some ‘case law’. The costs and technical reasons could include costs of additional street furniture (larger/separate cabinet), administration of billing, difficulty of meter reading, cost of ‘smart’ metering & communications, meter reading costs, etc.

It was also noted that clause (2) of the SI states that the Supplier, Distributor and the Customer need to agree to provide/take an unmetered supply. However, if Distributors simply refused to provide an unmetered supply then previous ‘custom and practice’ and rational for refusal would be considered.

Ofgem have the ability to determine cases brought to them by Customers where they think the SI has been wrongly applied. The Ofgem representatives were unaware that this had happened in recent years.

Ofgem suggested that Distributors might wish to publish policies associated with unmetered supplies so that a consistent approach is applied, and seen to be applied.

Lack of Connection Agreement

Some customers have not signed a Connection Agreement. The Ofgem representatives saw this as a commercial issue, Distributors may refuse to connect unmetered supplies. If the Customer complained to Ofgem then Ofgem would expect that both parties to have sought to agree a Connection Agreement. If the two parties can not agree the terms of the Connection Agreement then either party can refer to Ofgem for a determination of the terms of the Connection Agreement.

Failure to Submit Inventories

Some customers either do not have, or are not submitting an inventory regularly to the Distributor. Where this is not happening, and there is a Connection Agreement in place, then the Distributor has a commercial redress through the terms of the Connection Agreement. If there is not agreement in place then see Lack of Connection Agreement section above.

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¹ http://www.opsi.gov.uk/si/si2001/uksi_20013263_en.pdf