



David Fowlis
Competition and Markets Authority

17th November 2016

Dear David,

CMA Formal Consultation on the Energy Market Investigation (Gas Settlement) Order 2016.

Opus Energy welcomes the opportunity to respond to the CMA's formal consultation.

In the CMA's final report, the package to address Gas Settlement stated *"With respect to all non-daily metered supply points with a smart or advanced meter, an order on gas suppliers (and amendments to the suppliers' standard licence conditions) to submit valid meter readings (as defined in the Uniform Network Code) to Xoserve at least once per month (unless for reasons of malfunction or related issues it was not possible to take such a meter reading)."*

Given this report, we were anticipating an order to submit a valid Meter Reading at least once per month to Xoserve for all non-daily metered supply points with a smart or advanced meter. Our interpretation of the draft order and the draft amendment to condition 21B.4A of the gas supply licence indicates that suppliers would be obligated to obtain and submit daily meter reads for each of these customers from 6 months after the implementation of Project Nexus – a date expected to be 1st December 2017.

Despite strong concerns regarding the order going beyond the intended remedy having been raised by several parties in response to the first consultation it seems that these concerns have not been acknowledged. We wish to reiterate our previous concerns that the order goes beyond the intended remedy laid out in the final report. Our non-daily metered points with an advanced meter are already set up to procure a monthly read. Should the CMA now wish to move away from the remedy as previously detailed in order to introduce an obligation to process and store daily reads, we feel that December 2017 does not provide us with enough time to develop and implement the required IT changes to manage this, given that our resources are already working at full capacity preparing for the upcoming smart metering rollout. In addition to this, we also have significant regulatory change approaching in the form of faster switching and the Centralised Registration Service (CRS).

Opus Energy considers the procurement and submission of one read a month from smart or advanced gas meters, as per the second phase of the order effective as of Project Nexus implementation date – expected 1st June 2017 – would satisfy the CMA's policy intent to have a positive impact on settlement, and therefore the allocation of gas.

We would question if there is strong enough evidence to support the CMA moving to a daily read requirement, particularly as there has not been an impact assessment to support this.

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If you would like to discuss this further please feel free to contact me.

Yours sincerely,

Gemma Newsham
Regulations Director

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