



Stephen Green, Floor 2
Content, Consumer and External Affairs
Ofcom, Riverside House
2a Southwark Bridge Road
London SE1 9HA

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Telephone: 01738 456401

Our Reference:
Your Reference:

email: aileen.boyd@sse.com

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Dear Stephen

Review of Metering and Billing Direction

SSE welcomes the opportunity to respond to the consultation on revisions to the Metering and Billing Direction. We broadly support the direction of travel of the revisions, with one concern on the revised timings for accreditation that have been proposed. We expand on these points in our response to the consultation questions, attached as an appendix to this letter.

However, we do note that there are many changes in wording between the current version of the Direction and the proposed new version that have not been highlighted. To aid transparency on the totality of the changes it is proposing, we believe that Ofcom should have provided a version of the proposed Direction where all the changes are highlighted. Most of the proposed but not explicitly mentioned changes could be classed as clarifications of how the approval processes work. But two give us some cause for concern.

Firstly, towards the end of the section now numbered 5.1, above the timetable for gaining Approval, the following paragraph appears:

The CP will also agree to, and have processes which facilitate, the disclosure of information to Ofcom by the CP and/or the AB in connection with this Direction and the performance by the CP of its regulatory obligations.

We object to the wide-ranging nature of this provision, which appears to allow the AB to report on matters unconnected with GC11. A requirement on the AB to report to Ofcom on matters other than Metering and Billing compliance could, in our view, undermine the constructive relationship between a CP and its AB. It is also not necessary for the AB to have a working knowledge of the requirements of other regulatory obligations faced by the CP.



Secondly, there is a new section 3.3 on the Transfer of Approval. It is not entirely clear what process is envisaged here but, rather than CPs facing the expense of a new Approval process as a result of Ofcom's changes to the Direction, we believe that existing Approvals should automatically be transferred to the new form of the Direction once it is implemented. Approval Bodies could then work within the framework of their existing auditing timetables to amend auditing plans in an evolutionary manner as appropriate to individual CPs, as the new Direction beds in. This seems in tune with the adaptability of the process-focussed approach that Ofcom highlights as a benefit of the proposed change.

We have also noted some minor inconsistencies in headings and references in the revised layout of the Direction and have included comments on this in our response to the non-material changes that Ofcom highlights in question 5.

I hope these comments are helpful as Ofcom finalises the revisions to the Metering and Billing Direction.

Yours sincerely

Aileen Boyd
Regulation Manager

Response to Consultation Questions

Question 1: We invite stakeholders' views on the proposed removal of target-based requirements across all retail services and evidence to support their views.

We agree with Ofcom's proposal and support the process-based requirements that remain in the Direction.

Question 2: We invite stakeholders' views and evidence on the practicality of the proposed new timeframe for approval as set out in paragraph 5.1 of the draft new Direction.

We do not agree with all aspects of the proposed new timeframe for approvals. Currently, the three stages of approval are as follows:

Application for Approval	within 12 months of reaching Relevant Turnover
Agreeing Plan with Approval Body	within 24 months of “ “ “ “
Gaining Initial Approval	within 48 months of “ “ “ “

Ofcom proposes to reduce the time for the first stage from 12 to 6 months and we do not object to this. The final stage of gaining initial approval is proposed to have a limit of 24 months from agreeing an Approval Plan with the Approval Body (AB) and we are content to see the requirement expressed in this way. However, the second stage currently has a minimum duration of 12 months and Ofcom proposes to reduce this to 3 months. In our view, this is unrealistic and extremely onerous.

The second stage of the timetable is a key period within which a communication provider (CP) works with the AB to identify the scope of the Total Metering and Billing System, the documents that need to be produced and the various actions that need to be carried out before Approval can be granted. SSE went through the last two stages of the Approvals process for Metering and Billing between April 2010 and August 2012; agreeing an Approval Plan with the AB took longer than 3 months and we imagine this might be the same for other companies undergoing the Approvals process. We do not believe that it would be helpful to the overall process of the AB becoming familiar with the scope and processes of a CP's systems (and the CP becoming familiar with the Metering and Billing requirements) for this stage to be rushed and advocate that the time allowed should not be reduced below 6 months at least.

Question 3: We invite stakeholders' views on whether the proposed revised definition of EPF would be workable. We also welcome any alternative suggestions for the definition.

The proposed revised definition of 'extraordinary performance failure' set out in Annex 6 as a "clear spike in errors detected or reported or movement away from monitored performance" seems clear in its intention and we feel confident that a workable interpretation of this could be developed in conjunction with ABs. We would comment that in the part of the proposed new Direction where the definition is used, i.e. section 4.8.3, the proposed wording is not used exactly and is combined with definitions of Measurement Strategy, which seems confusing and unnecessary. We would prefer to see a single sentence in section 4.8.3 that defines the term in the manner suggested in the table in Annex 6.

Question 4: We invite stakeholders' views on the proposed timeframe for delivery of CDRs as set out in paragraphs 7.1 of the Direction. If you do not agree, please provide evidence to support an alternative approach or timeframe.

We wholeheartedly agree with this proposal and welcome the attention that Ofcom is now paying to the necessary requirements on wholesalers to support the metering and billing framework across supply chains in the communications market. There is already a requirement in the Direction for a retail CP not to present any chargeable event to an end-user after a certain period of time. Logically, there must be a consistent requirement on wholesale CPs supporting the retail CPs not to present their chargeable events after a shorter period of time, to allow for billing cycles at the retail level. The two periods involved must work consistently so that retail suppliers are not presented with wholesale billing records that they cannot pass on to their end users.

Question 5: We invite stakeholders' views on the proposed non-material changes to the Direction?

We have a comment on two of the items mentioned as non-material changes:

1. Paragraph 4.22 contains the proposal to bring the data volume measurement limit into the new 'Retail' and 'Wholesale' annexes on a voluntary basis. We do not object to this but suggest that it should be made clearer in the annexes that this item is voluntary: we could see no note to this effect within the annexes.
2. We note the change to the Direction that highlights the requirement for and purpose of the measurement strategy (MS) document as part of the principal obligations. However, we still find that information about the purpose of the MS is set out in other parts of the proposed Direction and consider that it would be clearer if the new section 4.4 contained all the general information about this topic. For example, paragraphs in section 4.8 also describe the MS. Similarly, paragraphs in section 4 of annex B also deal with requirements of the MS and one paragraph is a repeat of one in 4.8.2. In contrast, in wholesale annex C, the MS is only mentioned briefly in section 8.

In reviewing the new version of the Direction, we have noticed a number of places where headings and references to other parts of the document are inaccurate – presumably as a result of new sections being inserted. Set out below is a list of these and we hope that, prior to finalisation of the new text, Ofcom could carry out a proof-reading exercise to check the lay-out and consistency of text to aid the user of the documents.

- a) Contents list starts
1 Introduction,
1.1 Introduction
but in main text, section 1.1 is headed 'Purpose'
- b) In the contents list, section 4 has 8 sub-sections, but in the main text, an extra section appears as 4.1 'Accuracy Requirement'
- c) As a result of b), some references are inaccurate, for example: in section 4.4.1; section 4.8.5 contains references which were previously to text now in 4.8.2 and 4.8.3; and section 4.2 of Annex B
- d) Typo in 2nd sentence of section 4.1 annex B: 'being exceeded' is repeated.
- e) Pagination in annex C within section 5 – extra page throw?



- f) Section 7.3 in annex C might need its own section rather than being located under overall section 7 on 'Detrimental Under Recording'
- g) Size and format of headings at 5.2.2 and 5.2.3.1

Question 6 We invite suggestions on these and other ways in which awareness of the Scheme can be promoted.

We welcome the measures that Ofcom proposes to take to ensure consistency between the ABs and to provide information and guidance to CPs about matters raised in some AB audits. We also welcome the measures proposed to improve awareness of the Direction and would like to see the 'metering and billing' section of the Ofcom website contain more up-to-date information. For example, it would be helpful for Ofcom to keep an up-to-date consolidated version of the Direction on the website as any further amendments are made in a similar manner to the consolidated version of the General Conditions that is updated periodically on Ofcom's website. We also believe that it should be Ofcom that keeps an up-to-date list of which CPs have Metering and Billing Approvals on its own website, in contrast to the proposed new wording of section 5.3 which now suggests that ABs do this. This would make it easier for customers or other interested parties to find out if their own CP is Approved or not.

The proposed change to the Direction is fairly wide-ranging and, as discussed in our covering letter, we believe it would be helpful for currently approved CPs to see a stylised change-marked version of the proposed Direction compared to the existing 2008 Direction (as amended in January 2011). At least the amendments to the main text could be covered, as the changes to the structure of the annexes might be difficult to show.