

Holders of domestic gas and electricity supply licences, consumer representatives and other interested parties

Promoting choice and value for all gas and electricity consumers

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Date: 18 August 2011

Dear Colleagues,

Commercial interoperability: proposals in respect of managing domestic customer switching where meters with advanced functionality are installed

The Spring Package consultation¹ published in February 2011 set out a range of proposals designed to facilitate switching where a domestic customer has a meter with advanced functionality². In the light of responses received, this letter sets out revised proposals for consultation.

Background

It is government policy to mandate the rollout of smart meters to domestic customers and small non-domestic customers. This is a key part of its agenda to support Great Britain's transition to a low-carbon economy and is intended to help meet some of the long-term challenges of ensuring an affordable, secure and sustainable energy supply.

To this end, the Government has established the Smart Metering Implementation Programme ('the Programme'). The Government is proposing that suppliers will be obliged to install smart meters in all domestic premises by 2019. The Government is publishing a consultation on its first set of regulatory proposals, covering obligations on suppliers in relation to the rollout and the technical specifications for smart meters³. The proposals set out in this letter should be viewed in the wider context of changes that will be proposed by government as part of the Programme.

To provide for the interoperability of smart metering systems, the Programme intends to publish, with a view to mandating, the technical specification that is required of a smart meter. It also intends to establish a Data Communications Company (DCC) that will manage communications with smart meters and data transfer to relevant parties, including suppliers.

¹ *Smart Metering Spring Package - Addressing Consumer Protection Issues*, Ofgem, February 2011

² The functionality of these meters is defined later in this document.

³ *A consultation on draft licence conditions and technical specifications for the rollout of gas and electricity smart metering equipment*, DECC, August 2011

Establishing a technical specification and DCC services will support interoperability between compliant smart meters so that domestic customers can switch supplier, confident that the core services supported by the smart meter will be maintained. It is envisaged that from 2014 all meters installed in domestic premises, whether new or replacement, will be compliant meters linked to the DCC.

In advance of DCC services becoming available, envisaged to be in 2014, the Programme is supporting a foundation stage to enable suppliers to prepare for mass rollout. Many suppliers are planning to use this opportunity to trial smart meter deployment and operation.

Suppliers who install meters with advanced functionality before the technical specification has been finalised and in advance of the DCC being established do so at their own risk. The meters being installed at present are not built to a common technical specification. As such, when a customer changes supplier, the new supplier may not be able to utilise the advanced functionality and as such may only pay a 'dumb' rental for the meter. Furthermore, if the meter is not a compliant smart meter then it will have to be replaced by the end of the rollout (currently envisaged to be in 2019) and therefore the supplier will have to bear the costs associated with the stranded asset. The installing supplier may therefore be liable for the additional costs for installation of the meter and the difference between smart and dumb rental charges.

Some suppliers have determined that there is a positive business case for them to install a significant number of meters with advanced functionality before the DCC is operational. This is a commercial decision for the individual businesses themselves. Estimates of the numbers of these meters that may be installed vary, but there are indications that up to four million such meters may be installed in domestic premises by 2014. We note that under the Programme's proposals, meters with advanced functionality that do not comply with the technical specification may be installed in domestic customers' premises between now and 2014, and would not need to be replaced by a compliant smart meter until 2019. The proposals made here are therefore dealing with transitional issues that may affect a limited number of domestic customers⁴.

We sought views on these issues in our Spring Package consultation document published in February 2011⁵. We received 13 responses to the questions on commercial interoperability, including from suppliers, metering companies and consumer representatives. A summary of these responses is set out in the next section. The rest of the Spring Package referred to issues surrounding consumer protection. A statutory consultation, proposing licence conditions to address these issues, is ongoing⁶.

⁴ Assuming up to four million domestic customers may have a meter with advanced functionality installed by 2014, and an annual supplier switching rate of 16.5% for these customers, then up to one million customers may be affected by the proposals we are making.

⁵ Responses to the Spring Package consultation may be found on the Ofgem website. The other consumer protection issues raised in the Spring Package consultation are being addressed separately.

⁶ *Smart Metering Consumer Protections Package – Statutory Consultation*, Ofgem, June 2011

The Government's Prospectus Response⁷ outlined steps that would be taken in the foundation stage regarding compliant smart meters. These included obligations for a new supplier to pay the full 'smart rental' charges for a compliant meter, standardising messaging services as part of the technical specification of the meter and arrangements for the DCC to adopt installed compliant meters. We note that the Programme is considering additional steps to promote interoperability of compliant meters. The proposals in this consultation are designed to be compatible with any proposals from the Programme.

Until a smart meter technical specification is finalised, it is not known whether the meters that are currently being installed will be compliant with the Programme's specification. For the purposes of these proposals we refer to meters that are currently being installed and have advanced functionality as Advanced Domestic Meters (ADMs). An ADM is a meter that:

- provides measured gas or electricity consumption data for multiple time periods
- is able to provide the relevant supplier with remote access to such data
- is installed in domestic premises, and
- may be capable of being operated as a prepayment meter.

This definition is designed to capture all meters with advanced functionality and is expected to include compliant smart meters once they have been defined.

The Spring Package consultation

The Spring Package consultation set out our desire to ensure that the rights of consumers to switch supplier continue to be upheld where ADMs are installed. ADMs being rolled out at present are not built to a common technical specification. At present, where an ADM is installed, there is a risk that when a customer switches supplier, some or all of the services supported by the advanced functionality may be lost. Alternatively, the customer may experience the inconvenience of having their meter exchanged. This may in turn impact on the practicality of switching supplier and hence act as a barrier to switching.

The Spring Package consultation sought views on potential obligations on suppliers, in particular relating to the terms offered by an installing supplier to a new supplier for use of an ADM and regarding the particular issues raised by prepayment meters.

Terms for the use of the meter

We asked in the Spring Package consultation a number of questions about whether obligations should be placed on suppliers to offer terms to the new supplier for the use of metering equipment with advanced functionality. In particular, we sought views on whether there should be an obligation on the installing supplier:

- to offer terms for use of the meter
- to offer terms for use of communications services, and
- for those terms to be reasonable, non-discriminatory and transparent.

⁷ *Smart Metering Implementation Programme: Response to Prospectus Consultation*, Ofgem/DECC, March 2011

We also asked whether there should be a de minimis threshold before these commercial interoperability obligations apply and if so, at what level it should be set.

Respondents had mixed views. Some suppliers considered that they should not have obligations to manage the behaviour of third-party agents for when these agents are dealing with other suppliers. Other considered that there would be considerable complexity in switching a customer that had gone through multiple changes of supplier and where the new supplier was not able to identify the installing supplier.

There was support for contract terms to be transparent and for the principle that those terms should be reasonable and non-discriminatory. However, there was concern as to how 'reasonable and non-discriminatory' would be determined and that standard charging arrangements may be too prescriptive and inflexible to allow the competitive market to function effectively.

There were also concerns about prescribing or seeking to standardise the terms for communication services with meters. Without compliant meters and standardised messaging, there were concerns that obligations in this area could become onerous.

There was broad support for a de minimis threshold before obligations applied, although two suppliers feared that this approach risked disrupting the change of supplier process in a small number of cases.

Prepayment meters

Where an ADM is being operated as an advanced prepayment meter, the supplier is able to update credit onto the meter remotely using its own communication arrangements. If the new supplier is unable to operate these arrangements then they will not be able to support a prepayment tariff. In this case, the ADM may be able to default to a credit meter. However, if the customer faces payment difficulties, the new supplier would remain under an obligation to offer Fuel Direct, payment by instalment and payment by way of a prepayment meter where it was safe and reasonably practicable to do so.

The Spring Package sought views on whether suppliers should be prohibited from rolling out advanced prepayment meters unless they could be used in that mode by a new supplier.

Respondents to the consultation argued that it was impossible for a supplier to know whether all suppliers could support their technology and that therefore this obligation would amount to a de facto ban on introducing advanced prepayment meters until the DCC became operational. Some respondents argued that there were benefits for customers from having an early rollout of advanced prepayment, but that the numbers should be limited to the volume necessary for trialling and testing. One supplier considered it imperative that such trialling took place in preparation for mass rollout.

Ofgem's conclusions

In the light of responses to our consultation, we do not consider that there is currently a sufficient case for introducing regulation of the terms for meter provision in respect of ADMs. The lack of standards for operating ADMs makes it difficult to determine generic terms for their use. Furthermore, we consider that there are

sufficient commercial incentives in the supply and metering markets for parties to agree terms without regulatory intervention. In particular:

- the new supplier has a customer service incentive to maintain advanced functionality and ensure a smooth change of supplier process, and
- the installing supplier wants to avoid being exposed to the costs of a stranded asset and so is incentivised to facilitate the new supplier being able to support advanced functionality. This would result in the meter service provider charging the full rental price to the new supplier, so the installing supplier would not have to pay the difference between dumb and smart rental rates to the meter service provider.

We note that when compliant meters become available, standard approaches between suppliers for meter rentals may be desirable. Should they not emerge through the operation of the market, then there may be a case for considering introducing regulation in this area. The Government has committed to consider possible further interventions to support the foundation and enduring phases of the roll out as part of the Programme.

We recognise that there are likely to be benefits for suppliers from trialling advanced prepayment services and those customers may well find such services a more effective solution than those based on existing prepayment technologies. However, advanced prepayment introduces an additional risk that domestic customers will have to have a meter exchanged when switching supplier. For example, a customer with an advanced prepayment meter who has or will have difficulty paying for their gas or electricity may need to have a standard prepayment meter installed in order to continue paying in advance. This will only be applicable if the new supplier is unable to support prepayment meter functionality being used with an ADM.

Our revised proposals

Consumers stand to benefit from meters with advanced functionality, for example by being able to decrease or shift their energy consumption and thereby achieve cost savings. For this reason it is desirable that, where possible, consumers retain the ability to access services based on the advanced functionality of their meter after a change of supplier. In the shorter term, we consider that it is acceptable if an ADM has to revert to operating in dumb mode following a change of supplier so long as essential functionality (eg the ability to operate in prepayment mode) is not lost. However, we are concerned that those customers who have an ADM installed may not:

- Have sufficient information as to whether there will be any loss of services or inconvenience caused to allow them to make an informed choice about switching supplier
- Continue to benefit from the services that the meter is capable of supporting.

The conclusion reached by the Government in the Prospectus Response⁸ was that the costs of some interim interoperability arrangements for compliant meters may outweigh the benefits and that they could distract suppliers from the work needed on the enduring solution. We have similar concerns in respect of ADMs in general. We

⁸ *Smart Metering Implementation Programme, Response to Prospectus Consultation: Rollout Strategy* (Paragraph 2.53)

recognise that some suppliers may face disproportionate costs were they obliged to overcome the technical barriers to providing the full range of ADM services.

In developing our revised proposals we have recognised the significant potential benefits for consumer in having early access to services enabled by ADMs and the opportunity for suppliers to build the capability to manage the smart meter rollout efficiently.

Our revised proposals seek to strike a balance between, on the one hand, the interests of existing consumers in being able to continue switching supplier effectively and, on the other, the interests of future consumers in suppliers conducting sufficient trialling and testing to be able to undertake the mass rollout of smart meters in a timely and cost-efficient manner. Our proposals also seek to be proportionate to the scale of the potential consumer detriment identified.

Our proposals are aimed at ADMs installed before the DCC becomes operational. Our aim is to ensure that domestic customers are protected as suppliers start to roll out significant numbers of ADMs. Though this consultation and its proposals are independent of any measures that may be introduced by the Programme for dealing with compliant meters in the foundation stage, they are designed to be compatible with any such measures.

We present our proposals in two parts. Firstly, we consider how suppliers should interact with customers and, secondly, how suppliers should interact with each other to promote commercial interoperability.

1. Customer information

It is important that consumers are able to make well-informed decisions about switching supplier. This is particularly the case for consumers with ADMs, given the potential for loss of services or the inconvenience of a meter exchange that may result from a switch. It is also important that, once they have switched, consumers continue to receive accurate information, for example in relation to the costs of their energy use.

Suppliers are already obliged to comply with existing consumer protection law by not misleading customers and by providing customers with material information. In addition, suppliers are already subject to licence obligations⁹ that require them to include any terms and conditions in their contracts relating to charges for other goods and services. We consider that these obligations cover any charges or requirements on the customers in relation to an ADM and related display devices where, for example, the supply contract is terminated.

Nevertheless, we consider that additional obligations are needed to help ensure that customers with ADMs are provided with accurate information and are informed of any potential changes to the services provided via the ADM.

Enabling consumers to make well-informed switching decisions

We propose that a potential new supplier should be required to explain any loss of functionality that the consumer may experience if they switch to them. For example,

⁹ Paragraphs 22.4 (b) and 24.3 of the standard conditions of supply licence

this could include the inability to take remote meter readings or to support tariff information on a display device.

We would expect that the supplier would, during the course of the sales process, ask whether the customer currently has an ADM and, if so, inform the customer about whether they would expect to continue using services supported by the ADM. This is comparable to the way that suppliers currently ask whether the customer has a prepayment or two-rate meter.

To ensure the customer is fully aware of the potential loss of functionality, we would expect the supplier to ask questions that enable it to ascertain the customer's current meter functionality and whether the customer is willing to lose certain services supported by this functionality when switching supplier¹⁰. How best to seek this information will depend on the sales channel being used. We invite views on whether there are any practical difficulties for suppliers in seeking this information during the sales process.

We recognise that, at the sales stage, the new supplier may not know who the old supplier is or the precise functionality of the meter. The new supplier would be reliant on the customer being able to indicate the ADM services they currently receive. While this approach is not always guaranteed to be effective, it will at least alert the customer that some of their current services may not be maintained or the meter would need to be exchanged. This would therefore inform their decision to switch.

Question 1: Do you agree that suppliers should be required to inform the customer of any potential loss of services before a switch takes place?

Providing customers with accurate consumption information

Customers must be able to trust the information they receive from metering systems. Some suppliers have informed us that on gaining a customer, where they are unable to reconfigure the meter or associated display device, there have been instances where a display device linked to an ADM continued to display old, inaccurate tariff information. This risks misleading or confusing the customer, for example about the costs of their consumption.

We propose that the old supplier should be required to disable any misleading information that the ADM or its ancillary equipment displays, immediately prior to losing the customer. For example, this may involve removing tariff information from the meter and preventing any marketing messages from appearing on the IHD. We understand from several suppliers that they have the capability to do this remotely.

There are clear benefits for domestic customers if a display device connected to an ADM can continue to provide historic consumption information. We would be concerned if this information was lost. We propose that the old supplier should not be permitted to remove this information from the ADM. We invite views on whether there are any technical barriers to enabling historic consumption information to remain on the ADM in these circumstances.

¹⁰ Later in this consultation we set out proposals designed to help ensure that the new supplier is aware of the metering equipment and functionality that the customer currently has available.

We recognise that at the moment this risk may be limited to any display device linked to the ADM. However, there may be other technologies (eg smartphone applications) where the customer may receive misleading information after a change of supplier. The proposed licence condition would also apply to these applications and any other technology linked to the ADM.

Question 2: Do you agree that the old supplier should be required to disable any misleading information prior to the switch taking place?

Question 3: Do you agree that the old supplier should be prohibited from removing historic consumption data from the meter?

Prevention of charging domestic customers for a prepayment ADM exchange

We recognise that despite both the old and new suppliers' best efforts, it may not be possible for a customer to switch supplier and continue to receive services based on ADM functionality. In some instances, a meter exchange may be required to enable the new supplier to continue to provide such services, particularly in relation to prepayment.

We understand that existing ADMs should be able to operate in dumb mode, but this will only be as a credit meter and not a prepayment meter. This is because the prepayment functionality of an ADM meter is not dependent on a key or token but is reliant on the communications technology associated with the ADM. This may present difficulties when trying to retain prepayment services on a change of supplier. Therefore if a customer has an ADM operating in prepayment mode, and they wish to have a prepayment meter after they change supplier, a meter exchange may be necessary.

We consider that consumers should not be placed in the position of having to face charges for switching (eg to a cheaper tariff) due to their old supplier having installed an ADM and their chosen new supplier being unable to support the prepayment functionality. We therefore propose that, if the new supplier has to replace the meter to continue prepayment services, they should be prohibited from charging the customer for the new meter. We understand that usual industry practice is not to charge a customer for the installation of a prepayment meter.

We consider the necessity for a meter exchange is most likely to occur for domestic customers that have ADMs operating in prepayment mode and subsequently switch supplier. We invite views on whether there may be any other circumstances where a meter exchange would be unavoidable and suppliers should not be able to charge customers for a new meter.

Question 4: Do you agree that suppliers should not be allowed to charge customers for the replacement of a prepayment ADM in these circumstances?

2. Supplier support for interoperability

We accept that new suppliers may have to operate ADM meters in dumb mode where there is no practical solution for maintaining services related to advanced functionality with the existing meter. We consider that there are steps that suppliers could reasonably take to make it easier for a new supplier that wanted to maintain

some or all of those services relating to ADM functionality. For example, the new supplier could use existing industry central systems and processes, or third party agents, to obtain remote meter reads from ADMs so as to enable accurate billing. Over the course of the Programme, the Government will be considering additional or alternative requirements on suppliers to support the interoperability of smart meters both in the foundation and enduring phases.

Provision of information for maintaining ADM services

We consider that increased transparency of information about ADMs would help the potential new supplier ascertain whether services relating to advanced functionality can be maintained. It will also support the obligation for the potential new supplier to inform the customer whether there may be a variation to the services related to the ADM that would be to the disadvantage to the domestic customer.

We are proposing that there should be a licence obligation requiring the old supplier to make information available to the new supplier where the new supplier requests it that:

- would enable the new supplier to determine the functionality of the existing ADM, and
- would enable the new supplier to maintain all or part of the services relating to the existing ADM.

Examples of information include:

- Providing details of any arrangements offered by the installing supplier or their agents for the new supplier to use the existing meter and/or communications infrastructure.
- Identifying service providers who may be able to offer services to allow the new supplier to maintain ADM functionality.
- Identifying the installing supplier where this is different from the old supplier.
- Any other information that may be reasonably or practicably required by the new supplier to allow it to maintain ADM functionality.

Further to this information we would also expect the old supplier to not put any contractual barriers in place that would prevent the new supplier from maintaining ADM services.

Question 5: Do you agree that the old supplier must make available to the new supplier all the information they would need to help maintain the provision of services based on ADM functionality?

Question 6: What kind of information would the new supplier need access to in order to ascertain whether they can maintain advanced services?

Provision of ADM services to new suppliers

Where a large supplier is installing significant numbers of ADMs (as opposed to limited deployments to support trialling and testing), a greater number of domestic customers will risk losing ADM related services and face the potential disruption of a meter exchange on change of supplier.

In these cases, we are looking for a higher degree of obligation on the large installing supplier to take all reasonable steps to make available at the request of a new supplier all services that the new supplier would reasonably require to maintain some or all of the services relating to the ADM functionality. Some stakeholders have suggested that the greater number of meters involved in these circumstances means that solutions to support interoperability are likely to be more cost effective.

As there is no industry standard for ADMs, such an obligation would require suppliers to develop systems and processes to manage a range of different meters types and communications protocols. Therefore we are not proposing to require the new supplier to accept or operate the services and, as discussed above, the option of operating the ADM in dumb mode remains. We anticipate that there will be a developing market for interoperability and communication services that will meet supplier requirements for communicating with the most common meter types. We invite views on whether service providers will offer interoperability and communication services for ADMs, both in the foundation phase and beyond.

We are proposing that where a large supplier has installed more than 25,000 ADMs, or more than 5,000 ADMs operating in prepayment mode, then it should make available, at the request of a new supplier, all services that the new supplier would reasonably require to maintain some or all of the services relating to the ADM's functionality.

For these purposes, we propose to define a 'large supplier' as one with over 250,000 domestic gas customers for over 250,000 electricity customers. The proposed obligations will be separated by licence type. For example, these obligations would not apply to a large supplier with 20,000 gas ADMs and 20,000 electricity ADMs.

The thresholds apply to the number of ADM meters installed by the supplier. They include customers that have subsequently switched to another supplier. They do not include customers with ADMs that a supplier has gained through switching. Once the supplier meets the threshold, the proposed conditions would then apply in relation to all of the ADM meters that they have installed.

We consider that the lower threshold for prepayment ADMs is necessary due to the increased likelihood of a meter exchange when a customer using advanced prepayment services switches supplier.

We further invite views from suppliers on the costs associated with the changes to supplier systems as this will aid in our assessment of the impact of our proposals.

Question 7: Do you agree that a large supplier should make available on request all services that a new supplier would reasonably require to maintain some or all of the services relating to ADM functionality?

Question 8: Do you consider that the proposed volume thresholds are appropriate? If not, please suggest what would be more appropriate thresholds.

Question 9: What costs do you consider suppliers will need to incur to ensure compliance with the proposed licence conditions?

Draft text of the proposed licence conditions is set out in Annex A. We welcome comments as to whether these accurately reflect our policy aims.

Possible further measures

We consider that the package of proposals set out in this document is sensible and proportionate in protecting the interests of current and future consumers through this period of transition to a smart metering world. However, we are considering the case for strengthening further our proposals in one particular area, notably around the financial incentives on suppliers to develop interim solutions for prepayment services that would avoid the need for a meter exchange.

As noted earlier, a meter exchange may occur if the installing supplier is operating an ADM in prepayment mode and is not offering an acceptable service to the new supplier for them to be able to maintain prepayment services. We note that although the installing supplier may offer a service to the new supplier, this may not be on terms acceptable to the new supplier. As such, the new supplier may choose to decline the service offered.

In these circumstances, it could be argued that the costs that the new supplier would incur for installing a new prepayment meter were, in part, imposed by the installing supplier's decision to deploy advanced prepayment technology that is not reasonably capable of being supported by other suppliers.

To increase the incentives on the installing supplier to offer acceptable terms to the new supplier, the installing supplier could be made liable for the costs of a meter exchange in these circumstances. This could provide a more appropriate allocation of the costs incurred from a meter exchange. It may also provide more appropriate incentives on both the old and new supplier to avoid a meter exchange where possible.

If a meter exchange was required when a customer with an ADM operating in prepayment mode changes supplier, the new supplier would initially incur the costs of installing a new prepayment meter. This option would mean that the new supplier could pass on the cost of the installation (though not the cost of the replacement meter) to the old supplier. We consider that, in such circumstances, it may be appropriate to specify a fixed nominal charge of, say, £60¹¹. This amount would not be designed to cover the costs of a meter exchange in all instances, but to provide sufficient incentive on the old supplier to offer acceptable services to the new supplier.

We recognise that this could add complexity to the switching process and risks introducing unintended consequences, for example providing a disincentive for the new supplier to accept any services provided by the old supplier that would allow the consumer to maintain ADM functionality.

Question 10: Do you consider that additional incentives are necessary for suppliers to avoid ADM meter exchanges on a change of supplier where possible?

¹¹ Based on the £62.48 charge set out in National Grid's metering charges document: *National Grid Metering Charges From 1 April 2011*

Question 11: Do you consider that the measure outlined here places appropriate incentives on the installing supplier in respect of the costs of a meter exchange?

Question 12: Do you consider that £60 represents an appropriate proxy for the cost of a meter replacement in these circumstances? If not, what would you consider to be a more appropriate amount?

Implementation timescales

Suppliers have suggested that would likely need to make changes to their systems in order to comply with our proposals and, as such, that they would need time to make such changes before any obligations were to go live. We invite views from suppliers on the degree of system changes that may be required and how long it would take to make the requisite system changes.

Question 13: How long a lead time do you consider is appropriate for enabling suppliers to be compliant with the proposed licence conditions?

Next steps

We welcome responses to this consultation. These should be sent (preferably in electronic form) by no later than 5pm on 14 October 2011 to:

Tabish Khan
Smarter Markets
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We will take into account the responses received with the aim of producing a final set of proposals by the end of the year.

If you have any questions on the issues raised by this consultation, please contact in the first instance Tabish Khan on 020 7901 7137 or, alternatively, Nigel Nash on 020 7901 7065.

Unless marked confidential, all responses will be published on our website at www.ofgem.gov.uk. You may request for your response to be kept confidential. Ofgem shall endeavour to respect this request in so far as this would be compatible with Ofgem's statutory functions and any obligations to disclose information, for example, under the Freedom of Information Act 2000. Respondents who wish to have their responses remain confidential should clearly mark their document(s) to that effect and include the reasons for confidentiality.

Yours sincerely,

Colin Sausman
Partner, Smarter Markets

Annex A: Proposed Licence Conditions

Information to be provided in respect of Advanced Domestic Meters

1. Where the licensee is the Relevant Gas/Electricity Supplier to a Domestic Customer with an Advanced Domestic Meter and that Domestic Customer intends to effect a Proposed Supplier Transfer and that Advanced Domestic Meter will be retained at the Domestic Premises, the licensee must take all reasonable steps to ensure that:
 - (a) no misleading or inaccurate information relating to Charges for the Supply of Gas/Electricity and/or consumption of gas/electricity will be provided to the Domestic Customer via an Electronic Consumption Data Display which relates to, or arises from, the Domestic Supply Contract previously entered into between the licensee and the Customer; and
 - (b) all historic consumption information is retained on the Advanced Domestic Meter.
2. Before the licensee enters into a Domestic Supply Contract with a Domestic Customer, the licensee must take all reasonable steps to bring to the attention of the Customer any potential variations to the services related to the functionality of the Advanced Domestic Meter installed at the Domestic Premises that are to the disadvantage of the Domestic Customer.

General obligation to help maintain Advanced Domestic Meter services

3. Where a Domestic Customer with an Advanced Domestic Meter intends to effect a Proposed Supplier Transfer, the Relevant Gas/Electricity Supplier on the request of the new Gas/Electricity Supplier, must as soon as reasonably practicable make available to the new Gas/Electricity Supplier such information as is reasonably required to:
 - (a) enable the new Gas/Electricity Supplier to determine the functionality of the existing Advanced Domestic Meter; and
 - (b) enable the new Gas/Electricity Supplier to maintain all or part of the services related to the functionality of the existing Advanced Domestic Meter.
4. The licensee is not required to give information under paragraph 3, if doing so would seriously and prejudicially affect its commercial interest.
5. The licensee is not required to give information under paragraph 3 which it could not be compelled to produce or give in evidence in civil proceedings before a court.
6. Where a Domestic Customer with an Advanced Domestic Meter intends to effect a Proposed Supplier Transfer and the licensee has installed or arranged to have installed that Advanced Domestic Meter, the licensee on the request of the new Gas/Electricity Supplier must offer the new Gas/Electricity Supplier all such services as are reasonably required for the new Gas/Electricity Supplier to maintain part or all of the services related to the functionality of the existing Advanced Domestic Meter.

7. The licensee is not required to comply with paragraph 6 where it supplies gas/ electricity to fewer than 250,000 Domestic Customers and has installed or arranged to have installed fewer than:

- (a) 25,000 Advanced Domestic Meters; or
- (b) 5,000 Prepayment Advanced Domestic Meters

or such other number as may from time to time be directed by the Authority.

Replacement of a prepayment Advanced Domestic Meter

8. Where a Domestic Customer with a Prepayment Advanced Domestic Meter intends to effect a Proposed Supplier Transfer to the licensee, and will continue to pay Charges for the Supply of Gas/Electricity in advance though a Prepayment Meter but the licensee is unable to support the existing Prepayment Advanced Domestic Meter, the licensee must install or arrange to install a replacement Prepayment Meter at no cost to the Domestic Customer.

Definitions for condition

9. For the purposes of this condition:

Advanced Domestic Meter	means a Gas/Electricity Meter that, either on its own or with an ancillary device: (a) provides measured gas/electricity consumption data for multiple time periods and is able to provide such data for at least daily periods; and (b) is able to provide the licensee with remote access to such data.
Electronic Consumption Data Display	means an electronic device that provides information, by electronic display, for the purposes of ascertaining the quantity of gas/electricity supplied through pipes to Domestic Premises and/or information relating to Charges for the Supply of Gas/Electricity, in relation to Domestic Premises where an Advanced Domestic Meter is installed.
Prepayment Advanced Domestic Meter	means a Gas/Electricity Meter that, either on its own or with an ancillary device: (a) provides measured gas/electricity consumption data for multiple time periods and is able to provide such data for at least daily periods; (b) is able to provide the licensee with

	<p>remote access to such data;</p> <p>(c) operating in a mode which requires a Domestic Customer to pay Charges for the Supply of Gas/Electricity in advance; and</p> <p>(d) a reference to the installation or removal of a Prepayment Meter includes the switching of any Gas/Electricity Meter to or from such a mode.</p>
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