

Steve Rowe  
Smarter Markets  
Ofgem  
9 Millbank  
London  
SW1P 3GE

23rd March 2012

Dear Steve

**Review of Metering Arrangements – decision and consultation on transition to smart meters.**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, combined heat and power plants, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including both residential and business users.

EDF Energy is generally supportive of the proposals set out in the consultation document. In particular, we believe that the current traditional metering contractual arrangements for electricity meters continue to be adequate, and will remain so during the transition period. We therefore believe that there is no requirement to extend the regulatory regime in this area. However, there is a need to act in gas, and we support the proposed appointment of National Grid as the backstop Meter Provider of Last Resort (MPOLR) in all gas Distribution Network areas is a sensible approach.

EDF Energy also supports the continuation of the Post Emergency Metering Service (PEMS). If the service is purely for traditional meters, there needs to be an obligation and mechanism on gas transporters to make suppliers aware of where they have visited a consumer's premises and found a faulty smart meter and "made safe" and left site. Even though this will require a second site visit, this will enable the supplier to instruct their MAM to attend site and reduce inconvenience to the consumer.

Our detailed responses are set out in the attachment to this letter. Should you wish to discuss any of the issues raised in our response or have any queries please contact my colleague Tony Neville on 01293 898525, or myself.

I can confirm that this letter and its attachment may be published on Ofgem's website.

A handwritten signature in blue ink that reads "Paul Delamare".

Yours sincerely,

**Paul Delamare**  
**Head of Downstream Policy and Regulation**

**Attachment:**

**Review of Metering Arrangements – decision and consultation on transition to smart meters**

**EDF Energy’s response to the consultation**

	<b>Questions</b>	<b>Response</b>
1	What do you consider are the pros and cons of Ofgem’s approach to managing traditional metering in the transition to smart metering?	<p><u>Pros</u></p> <ul style="list-style-type: none"> <li>• Agree business as usual contractual arrangements continue to be adequate and that there is no requirement to extend the regulatory regime for commercial interoperability.</li> <li>• The appointment of one national gas MPOLR (National Grid) with detailed regulated charging terms will provide the most stable approach during transition as this will have less impact on suppliers’ roll out plans.</li> </ul> <p><u>Cons</u></p> <ul style="list-style-type: none"> <li>• EDF Energy understands that the Gas Distribution Network (GDN) acting as MPOLR (National Grid) will not be installing smart meters.</li> <li>• Dumb meters cannot be installed post DCC Go-Live. PEMS arrangements post DCC Go-Live will have to be via Supplier agents as GDN PEMS agents are not currently proposing to install smart meters.</li> <li>• Current industry processes do not facilitate identification of MAPs and building an asset tracker database (DCC?). Relevant if new smart gas MAM appointed post change of supplier becoming standard (Q4, 2013)</li> <li>• EDF Energy would value further detail on the proposed timescales in respect of the transitional arrangements, (e.g. around planning and engagement of MPOLR appointment activities, and engagement with non MPOLR distribution networks)</li> </ul>
2	Do you consider that Ofgem’s assessment of the related issues within the metering market is accurate?	Yes. The document covers a number of areas which require addressing. However, it could have been extended to cover enhancement to gas data flows e.g. MAP. Currently, we are not able to indentify Gas MAPs separately and the inclusion of this activity would have brought gas in line with electricity, through to its inclusion of this data item in a centralised database, such as ECOES in electricity.
3	How should emergency services be provided for in the transition to smart metering?	The existing providers of UMetS and PEMS services should continue to provide these services for traditional meters as at present up to the point where the installation of smart meters is mandated (i.e. in Q4, 2014). There is a current industry issue where UMetS is not provided by all Electricity

	Questions	Response
		Distribution Networks (i.e. those who just make safe and do not provide a metering service). This service should include smart to dumb as well as dumb to dumb up to DCC Go-Live.
4	How should emergency services be provided for in smart metering?	From the mandate of smart meters (Q4, 2014) it is unlikely that electricity or gas distributors will be able to provide emergency services for smart meters at reasonable costs. This is because they would have to provide small volumes of smart meters. They may not have the necessary skills, training and assets to provide the service given the greater complexity of smart meters. It is preferable that distributors retain the obligation to make safe any faults or leaks on meters found during emergency calls and then to have an obligation and mechanism to notify the relevant supplier within regulated timescales. A clear mechanism must be put in place for the GDN to notify the Supplier. It will then be a commercial decision for the supplier on what service levels they provide including whether to provide a 24 hour/365 day emergency MOP/MAM service.
5	Which is your preferred option for managing the transitions and why?	Option C – Backstop MPOLR. This would provide for a regulated provider of (gas) metering services until the last traditional meter is replaced and also ensure that customers can continue to be provided with metering services at a reasonable cost.
6	Under option C, is it appropriate to carry out a price control review?	Yes, it is appropriate to ensure that the costs for meters provided and maintained by the Backstop MPOLR are regulated in line with the charges of other metering service providers so that the market is not distorted.
7	Which of our revenue restriction options do you consider is appropriate and why?	Option 1, for the reasons set out by Ofgem.
8	If you are a GDN, would you prefer to transfer MAP ownership of your traditional meters (i.e. full transfer), or to subcontract new requests and the management of historical stock (i.e. partial transfer) or continue to manage own meters?	N/A
9	If you are a commercial meter operator (CMO), do you envisage a point in the smart meter rollout where you would be interested in consolidating your traditional meters?	EDF Energy does not have any plans at present to consolidate traditional meters. However, we will review this towards the end of the rollout period.