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Dear David

Competition in Electricity Metering Services Industry Guidance v1.1

Thank you for the opportunity to comment on this guidance. United Utilities has a dual interest in this area as both a distribution licence holder and provider of competitive metering services. As a company which is active in the competitive market, and intending to install the first non-distributor owned nhh electricity meters within the next few months, we very much welcome the publication of this document by Ofgem.

We agree with the interpretations contained within it. Whilst it is understandable that the concerns of suppliers about the implications of actions by other suppliers are reflected in your guidance from our perspective of equal concern is the behaviour of the new supplier. As you may be aware from our discussions with your colleagues progress in getting framework agreements in place between our Meterfit subsidiary (servicing the BGT contract) and suppliers has been slow. We would like to see the guidance reflect the need for the new supplier to enter into such agreements in advance of gaining customers or to do so as soon as reasonably practical on acquiring customers with third party metering installed. If this does not occur it will be the meter provider who will suffer loss which will significantly undermine the movement towards competition.

From a DNO perspective it is important to consider how the regulatory framework will be updated as competition has now arrived and the work on DPCR4 develops. As we proposed in our response to the last strategy consultation the obligation to offer new meters should be lifted from April 2005, giving suppliers plenty of time to establish new contracts, whilst at the same time retaining the existing DNO assets within a single price control. Clarity of Ofgem's plans in this area is now pressing.

I hope you find these comments helpful and if you wish to discuss any of the points raised please do not hesitate to give me a ring.

Yours sincerely

Stephen Parker

Senior Regulatory Analyst