



*Bringing choice and value
to customers*

Mr John Stanton
Commercial Manager
Secure Electrans Ltd
Innovation House
Talisman Business Park
London Road
Bicester
Oxon
OX26 6HR

Your Ref:
Our Ref: MBT/MET/ELE/28
Direct Dial: 020 7901 7420
Email: david.howdon@ofgem.gov.uk

11 August 2003

Dear John

Competition in Electricity Metering Services - Industry Guidance v1.1

Thank you for your response to Ofgem's document 'Competition in Electricity Metering Services – Industry Guidance v1.1'. Ofgem has recently published an updated version of this document, which can be found on Ofgem's website.¹ In updating the document, we have considered all responses and clarification has been provided in the document where necessary. The following is intended as a response to the points made in your letter. A copy of this letter has been placed on Ofgem's website.

In your letter you suggested that Ofgem should state that it would consider the likely cost reductions available to the supplier from the advanced features of the metering system when examining whether any charges for the meter were such that they restricted, distorted or prevented competition in the supply of electricity. Ofgem considers that it is unnecessary to include this additional statement as Ofgem have stated that in considering whether any charges for the meter are such that they do not restrict, distort or prevent competition, Ofgem would have regard to, among other things, compensating customer benefits provided by the meter equipment.

In addition, in your letter you suggested that Ofgem add the statement; "for the avoidance of doubt, this does not preclude suppliers from choosing to make changes to their systems in order to take advantage of the facilities available from smart metering." Ofgem have made this addition to the updated document.

Finally, you suggested that Ofgem should state in an updated document that "the need to use special systems to make full benefits of the smart metering facilities would not be anti-competitive, unless it was deliberately designed to be so." We do not consider it necessary to add this sentence given that Ofgem have already said in the document that penalties should not be unreasonable, having regard to the value of the metering equipment.

¹ www.ofgem.gov.uk/ofgem/work/index.jsp?section=/areasofwork/meteringstrategy

If you have any further questions or comments on the updated document, please contact me on the above number or my colleague Claire Tyler on 020 7901 7331.

Yours sincerely

David Howdon
Deputy Head of Metering