

David Howdon
Ofgem
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24 Feb 2004

Dear David

Provision of Metering Services

Thank you for allowing ScottishPower Energy Retail Limited (SPERL) the opportunity to respond to the above consultation paper.

SPERL currently view the provision of metering services as being in a transitional phase as we move towards a fully competitive market . In this environment we would be able to appoint the company of our choice to provide these services through commercial arrangements with our chosen service provider. It is with this view that SPERL would not like to see the market being stifled by forcing ex PES DNOs to provide services on competitors networks.

SPERL would prefer to have DNOs responsible for their own networks only. Therefore, **Option 2** should avoid the contradictory complication of having more than one supplier of last resort by stating that the DNO, regardless of GSP location, should provide these services. If a supplier then chose to utilise the local DNO or any other provider, to deliver these services this should be arranged via a mutually agreed commercial contract. Also, by having this arrangement it will avoid introducing another tier in the levels of communication that currently exists between customer, supplier and meter operator.

It is only by ensuring that there is a competitive environment in existence that best value for the customer will be delivered. As we move to this position we would expect OFGEM to keep under review any movement in costs associated with providing such services.

In concluding SPERL believe that any new entrants to this market should be financially sound and be able to provide a full range of services in this area. It is only by doing this that customers will ultimately be provided with both service and value. SPERL also consider it likely that even after the metering market has become fully competitive it is likely to see some consolidation. As a result, the natural barriers to entry in this area would still require the entrant to be large and equipped financially.

Yours sincerely

Colin Miller
Regulation Legal and Commercial