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Dear David

### **Provision of Metering Services by new DNO's**

Thank you for the opportunity to comment on this issue.

United Utilities is firmly of the belief that the existing metering obligations on DNO's are unnecessary as suppliers are well capable of protecting their own commercial interests and there are a range of metering providers operating in the market.

Whilst we do not agree we can perhaps understand why Ofgem believes it is necessary to retain regulation in respect of meters currently installed in customers' premises. In these instances there is physical work required to change meter provider. This may represent a barrier to change in some cases. However, no such barrier exists in the provision of new meters. This is where the focus of developing competition should rest as it avoids many of the problems associated with stranding of the existing meter stock. In the context of new distribution networks, therefore, we believe no obligation should rest on either the new DNO or the DNO in whose distribution services area the new network is located.

Metering is rightly established in the Electricity Act as a supplier responsibility as it is inextricably linked to the tariff offered in the contract with the customer. We are therefore somewhat puzzled by the scenario described in the paper whereby one DNO would be requesting metering services from another DNO.

Holding a distribution licence requires the holder to meet a wide range of financial and technical requirements that require substantial resources. Metering is a relatively small part of this requirement. We believe that if a new DNO is capable of meeting the requirements of the overall distribution licence they should be well capable of meeting any metering requirement. In addition, we agree with comments made regarding the additional complexities that would be imposed on one DNO forced to install meters on the network of another DNO. Therefore if Ofgem determines that it is essential that someone has obligations to provide metering services on new networks (which we believe it is not) then this should rest with the owner of that network.

I hope you find these comments helpful and if you wish to discuss any of the issues raised in this letter please do not hesitate to give me a call.

Yours sincerely

**Stephen Parker**

**Senior Regulatory Analyst**