

**Evidence gathering session on
Prepayment
15 April 2010**

**N.B. All content is as produced by the Stakeholders and
does not represent a preferred option or view by Ofgem
/ DECC.**

MAIN FEEDBACK

- A consumer group expressed continued support for mandated gas valve whilst consumers remain protected and costs do not increase. They feel it makes things more equitable. A participant questioned why customers with 'dumb' Prepayment meters could [under a potential scenario] have to subsidise customers with 'smart' credit meters and not benefit.
- Consumer Focus has undertaken a large research project involving 6000 customers on PPM with initial findings due soon.
- Concerns continue around misuse of disconnect and PPM becoming de-facto.
- Concerns from suppliers regarding customers that are on old tariffs. There needs to be a mechanism to help move customers to a smart world.
- Suppliers argued the stranding costs of current PPMs needed to be considered especially when discussing the possible prioritisation of these customers at rollout.
- There was broad consensus on PPM functionality if WAN fails. A meter fault will be raised, (expectation that supplier will be activated to address fault swiftly) meter will continue to debit, credit can still be applied manually without WAN using a code and emergency credit can still be enabled.
- Clear that education will be key - especially as this does not appear to happen adequately with PPM now. View that PPM customers need education when the meter is changed to PPM not when the meter is installed (i.e. there could be a significant gap).
- View that IHD will need to be integral to PPM operation i.e. payment through the IHD should be enabled and mandatory where the meter installation is inconvenient for the consumer.
- All agreed that remote reconnection without consumer interaction should not be possible on safety grounds. Further work needed to be done on how the IHD will interact with the meter and if reconnection can be safely enabled on this device.
- General agreement that suppliers should be able to decide what services they offer over the minimum spec. This does however raises questions on whether suppliers need to supply new IHDs or whether they have to check the previous supplier's equipment is working.
- There will be no need for PPM Infrastructure Provider services under smart. Suppliers will deal with this themselves with all the same tariff offerings as now.
- Issue will be dealing with legacy when it becomes uneconomic for PPM Infrastructure Providers. There was a strong view that suppliers will manage the contract down but acknowledged that it requires careful management, notice and engagement.
- Suppliers confirmed that all current payment methods (including cash) will be carried through to smart world.

- General agreement that suppliers want the process of change of supplier under PPM to be coordinated by the CCP. This will solve issues around payments going to old suppliers and will confirm exact dates / meter readings at time of change.
- There were some issues around functional requirements and safety. Should the valve or switch close, open or remain 'as is' on loss of power?
- Existing Codes need to be revisited and refreshed for Smart PPM and ERA suggested it could take this forward.
- Some work required on current practice. There is a lack of understanding whether they are requirements or just evolved customer practices.
- Trickle (allowing limited power when credit has run-out) was not supported. Consumer groups saw many issues, although they had not reached a final position. There were some concerns in the group that customers would just learn to work around it and therefore it would not help to recover debt.
- There were requests from consumer groups for telecare services and benefits payment credits (i.e. winter fuel) could be included in functional requirements.
- Suppliers agreed that some meters will be in "difficult to reach" places and would cost too much to relocate to another area. These meter locations should be recorded at the time of installation for future use.