



15 April 2010

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Dear Emma,

Thank you for the opportunity to respond to your letter, dated 1 April 2010, regarding the Review of Current Metering Arrangements.

As you will be aware ELEXON is very close to the current electricity metering arrangements and we are especially mindful of interoperability issues for suppliers and customers alike as the smart market emerges.

Until relatively recently the rules concerning the use of conventional electricity meters (non half hourly) have been simply the legal requirements as set out in Schedule 7 of the Electricity Act 1989. That is to say any meter which meets the requirements of the Act can be used by any supplier for both billing and settlement purposes. The introduction of the E.U. Measuring Instruments Directive (MID) in October 2006 further enabled this principle across the European Union.

Incorporating additional functionality within smart meters complicates the issues as suppliers have to ensure that its agents are capable of operating with the various functions of these meters. However we believe this is no different to the current arrangements for above 100kW or half hourly meters.

The half hourly market (above 100kW) has been operating for some considerable time without major issues or concerns and we believe that the experiences gained in this market would serve well for smart metering both now and into the future.

We believe that the successes of this market are due, in part, to the use of limited product standards as in the Balancing and Settlement Code's (BSC) half hourly Codes of Practice (CoPs). In particular the standardisation of meter functionality and approval of communication protocols has lead to a significantly stable and interoperable arena for all.

The use of meter standards which are limited to functionality and the communications protocols have the potential to completely remove any interoperability issues as we see currently in the above 100kW market. However unless these standards are sufficiently flexible future innovation may suffer as a result.

We believe that there is a delicate balance to be had between a need for meter standards that actively encourage innovation in a commercial and interoperable environment and the cost of standardisation to the lowest common denominator.

We welcome the Review of Current Metering Arrangements and believe that we have the necessary skills, expertise and experience to add significant value to this initiative and are most keen to participate in its development.

Yours sincerely

Keith Campion  
**Task Leader (Metering)**