LCNF Full Submission

Supplementary Answer Form

DNO Name:	Central Networks	Question Number:	CN033
Question Date:	17/09/10	Answer Date:	21/09/10
Question Topic:			

Original Question No:		Original Answer Date:	
Original Question:			
Original Answer:			

Question:	Can you confirm that some suppliers involved in the project will introduce new tariffs of their own (independently of your DUoS charge changes) to supplement the provision of smart meters. How many customers will this impact? Again, we are interested to know whether customers will actively volunteer to be on these tariffs and what information about the new charges will be provided to them.

Answer:	We cannot be certain that E.ON and the other suppliers involved in MK*Smart*2020 will introduce new tariffs of their own. Ultimately this is their commercial decision although this project clearly creates a unique opportunity for them to do so. Customers will be free to choose whether to enter into such a new tariff arrangement. In our discussions with suppliers we have highlighted the opportunities for them to offer innovative tariff structures in conjunction with our project. E.ON have indicated that in principle they would welcome the opportunity to test customer propositions in conjunction with their roll out of smart meters. The text below to reflects their current position: `Selection of appropriate tariffs and commercial propositions will be decided closer to deployment. The selection will be based upon an understanding of prevailing customer preferences and market developments, which we expect to evolve over the next couple of years. Also, what we can do will ultimately depend upon the propositions that customers are willing to sign-up to, although an absence of customer

	interest is an interesting and informative result in itself. There are a whole variety of commercial propositions that could support understanding of the network implications and opportunities: pay-as-you-go tariffs, time of use tariffs, direct load control or critical peak pricing to name but a few. E.ON Retail will be looking to trial a variety of customer propositions to support MK*Smart*2020 and we hope that other suppliers will join them to increase the scale a variety of commercial propositions being trialled. Such trials can be phased in across the life of the project as the commercial complexity and operational capabilities around smart metering evolve. E.ON will invest in the capabilities that will make some of these ideas an operational reality – meter data management functionality, changes to their billing system to support new tariffs and training of customer service representatives to help customers understand and take advantage of the opportunities available to them.' It will be the retailer's responsibility to sign-up customers and provide information about the innovative tariff arrangements. If retailers choose to offer innovative tariffs under our MK*Smart*2020 banner, or utilise MK*Smart*2020's customer engagement activities, the level of customer information and support must meet the standards below: • Provision of easy to understand explanations of the new arrangements with practical examples. These should be explained by specially trained field or call centre agents • Provision of data to support customers to reduce their bills with sufficient customer education to ensure that they understand how to access the data and what it means • Ongoing advice based upon customer consumption and billing data to offer practical advice on how to change consumption patterns to best take advantage of the commercial proposition • Specific measures to engage with customers with bills that increase beyond a certain percentage

Attachments:	