

## SMART METERING PROSPECTUS

### 28th SEPTEMBER QUESTIONS – SUMMARY RESPONSES FROM ASTRIUM.

Astrium is a major player in the areas of aerospace, telecommunications, and earth observation. Through its subsidiary, Paradigm Services Limited, Astrium is an established and accredited provider of highly secure, high-availability critical communications services to the UK Government.

Astrium submits the following summary responses to the cited Ofgem consultation questions.

Astrium strongly supports the objectives and principles set out in the Prospectus. We do however consider that:

- The detailed resolution of the issues raised cannot be covered in these responses, but will need to be worked out within the Working Groups identified by Ofgem within the Smart Metering Prospectus and process
- Whilst appreciating the reasons for urgency in accelerating metering roll-out, we advise striking a careful balance of timing to minimise risk, as the cost of errors and unplanned diversions could be high and could lead to poor customer experience

Our responses in this document are therefore restricted to key points, with the expectation that the issues will be developed and resolved thoroughly within the various Working Groups.

We will be happy to address each of these issues in detail.

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**Question 3\*: Do you have any comments on the proposed approach to ensuring customers have a positive experience of the smart meter rollout (including the required code of practice on installation and preventing unwelcome sales activity and upfront charging)?**

We endorse the *principle* that positive experience from customers is vital to the success of smart meter rollout, but we believe the details of the process need to be worked and presented in more detail. At the least, the immediate and ongoing impact to the customer must be minimised in all respects, as the value of the installations may not be immediately evident to customers.

This means that a good code of practice needs to be developed and applied, i.e. a 'one-shot' process including testing of the WAN connection, making sure the installation works end-to-end before the Supplier installer leaves the customer premises. We believe this also requires clear separation between HAN and WAN permitting simple upgrade of each as necessary.

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**Question 6\*: Do you have any comments on the functional requirements for the smart metering system we have set out in the Functional Requirements Catalogue?**

We agree that a fundamental high level requirement is provision of secure, reliable, two-way communication, and we believe that the architecture for this should be sufficiently flexible not to preclude any potentially useful WAN medium. More details must be developed urgently in the next high level functional layers including data delivery speed, testing, software

maintenance and upgrade, system and device management, accounting, system synchronisation etc. and in particular security. Prime driver must be cost-efficiency of the associated infrastructure and of its operation

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**Question 7\*: Do you see any issues with the proposed approach to developing technical specifications for the smart metering system?**

The system is effectively a very large 2-way communication network. Therefore, while it is important to have the main requirements defined by main system customers (i.e. Suppliers), it is important that Ofgem engages with the telecommunication expert community to define the technical specifications, as optimisations between capacity, security, performance and affordability of the communication links are required. Fundamental to this optimisation process will be the development of an agreed 'Concept of Operations', i.e. a fully-detailed description of how the overall system is intended to work, against the agreed functional requirements.

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**Question 16\*: Do you have any comments on the proposals for requiring suppliers to deliver the rollout of smart meters (including the use of targets and potential future obligations on local coordination)?**

We agree with these proposals. Ownership of the Smart Meter HAN by the Supplier appears to be the only way to maintain satisfactory control of this element, notwithstanding that some customers may have other HANs on their premises.

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**Question 17\*: Do you have any comments on our implementation strategy? In particular, do you have any comments on the staged approach, with rollout starting before DCC services are available?**

We believe it is essential to establish the DCC and its associated standards and practices as soon as possible. We consider the risk of proceeding to rollout, before this has been done, is insufficiently understood and quantified.

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**Question 18\*: Do you have any other suggestions on how the rollout could be brought forward? If so, do you have any evidence on how such measures would impact on the time, cost and risk associated with the programme?**

The overall rollout schedule already appears ambitious, so we recommend that means be explored to preserve and protect this and to minimise the potential for slips and the need for re-work. As reflected in the response to Q17, while we support expediting the programme, we recognise from experiences elsewhere that problems caused by haste can easily create a very poor customer experience and subsequent resistance, against the principles covered by Q3. The consequences could be significant schedule slips and cost increases. We consider the risks and responsibilities must be understood and agreed in detail at each step

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**Question 19\*: The proposed timeline set out for agreement of the technical specifications is very dependent on industry expertise. Do you think that the technical specifications can be agreed more quickly than the plan currently assumes and, if so, how?**

As for the response to Q18: the plan is already ambitious in view of the various trade-offs, optimisations, and need to accommodate and exploit the best of existing industry expertise and equipment. The aim should be to protect schedule by 'getting it right first time', based on the best industry experience.

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**Question 20\*: Do you have any comments on our proposed governance and management principles or on how they can best be delivered in the context of this programme?**

We support the proposed principles, but would suggest stronger industry presence of telecommunications, data-handling, and security expertise in the planned working groups. There should also be a transparent and objective process for managing risk across the whole programme, considering the schedule and cost pressures.

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