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Cable&Wireless
Worldwide

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September 27 2010

Dear Margaret,

It is with pleasure that I submit Cable&Wireless Worldwide's response to the initial questions posed in DECC and Ofgem's Smart Metering Consultation released 27th July 2010.

I am at your disposal if there are any queries.

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SMART METERING PROSPECTUS CABLE&WIRELESS WORLDWIDE RESPONSE

SEPTEMBER 2010

Cable&Wireless
Worldwide

PROSPECTUS DOCUMENT QUESTIONS

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)?

Focussing specifically on ensuring a positive experience during the installation visit(s) itself, Cable&Wireless are supportive of the intent to minimise disruption to the customer by planning for a single, "right-first-time" visit where possible.

Minimising the number of visits will require co-ordination of complex workflows within the Energy suppliers organisations, and in planning customer communications:

- Workforce management tools allowing energy suppliers to dynamically schedule site visits, and provide more flexibility in directing field force resource can be utilised to maximise the efficiency of use of resource;
- Extensive & repeated customer communication regarding the installation visit itself, which in our opinion should consist of a number of methods – using traditional "poster campaigns" within an area in combination with technology is likely to give best coverage. For example:
 - An example direct customer communication could consist of up to 5 phases with at least one contact per phase:
 - Offer customer date options for installation visit;
 - Request customer confirmation of preferred date (and potentially second and third preferences)
 - Confirm time, date, and duration of visit (for example, offering am or pm timeslots)
 - Remind customer of visit (day prior to the installation)
 - Update customer with more specific time for visit (on the day, for example within a 1 hour time slot)
 - A variety of communication methods could be used for each contact:
 - Pre-recorded voice messages (most efficiently, integrated with workforce management/back office workforce scheduling tools) requesting that customers call to pick an installation time and date; or calling to proactively offer reminders ahead of the visit.
 - Text message reminders/request for text message responses;

We believe that evening and weekend options will be an important factor in ease of scheduling; and increasing instances of first time success.

Whilst we agree with the principle a clear definition of "unwelcome" sales activity as opposed to services that may be of benefit to the consumer as a direct or indirect result of receiving and using their smart meter would be helpful.

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?

Cable&Wireless Worldwide, support the requirements set out in the Functional Requirements Catalogue. We would add the following commentary, and requests for clarification:

| Reference | Description | Comment/Query |
|-----------|--|---|
| OP.3 | "Last Gasp" | <p>C&W recognises the principle that last gasp could be a useful function to offer immediate notice of an issue or potential issue with a particular meter. However we would seek clarity as to the additional benefit of specifying last gasp as required functionality. For example:</p> <ul style="list-style-type: none"> • Visibility of, particularly large scale outages, can be detected further "back" in the network, for example at a substation aggregation points; • The ability to "poll" the communications module will provide data on the status of the communications module. • The requirement for regular despatch of data from the meter to the DCC means that undetected outages will become apparent on failure of a meter to provide data on schedule; and • The additional requirements suggested in the function requirements catalogue which include power quality and demand data could also provide information which is a strong indicator of an issued with a meter at a site. <p>If included, for metrology purposes, particularly in order to provide a definitive view of the length of an outage, we would suggest that "first gasp" should also be considered.</p> <p>We would counsel that the WAN communications system will need additional capability (such as that used in anti Distributed Denial of Service attacks) in order to prevent the impact of an outage affecting a large number of individual meters in a region flooding the communications network with a high volume of last gasp messages.</p> |
| OP.4 | Power consumption of Smart Metering System | Clarification is requested as to the expected apportionment of the permissible 2.6kw between the various smart metering system components, particularly in order to understand how much of the power budget may be used for outbound communications. |
| DS.2 | Storage of consumption data on the | We believe that storage of 12 months of data (accessible by the customer on request) is more appropriately held centrally for reasons of system security, particularly to minimise risk of local |

| | | |
|------|---|---|
| | smart metering system | loss, corruption, or compromise of data. |
| DS.6 | Support for erasure of data held locally | If data is stored centrally, as suggested in the response to section DS.2, the need to support local erasure of data is not required, unless required for in home display functionality. |
| DS.7 | Support for the provision of information to persons with disabilities | We would propose a voice call based system (ie an 0800 number) to provide “voiced” meter information, activated by speech recognition for account number and security questions. We believe a voice based alternative would be of particular value for partially sighted, the blind, the elderly, and customers who are illiterate. |

Additionally, we would add the need for further clarification with respect to:

- Security standards and code of connection should be specified for the connection between the Meter and any smart appliances that may be connected to the HAN.
- The need for clarity on the level of security, and formal security accreditation required;
- Network aggregation management and configuration – defining configuration and management processes to ensure the network can aggregate 46+ million managed devices into a small number of head end solutions.

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

The approach in principle is logical. We see conflicting risks in each of the approaches for example:

- If drafted centrally, we would anticipate a higher risk of delay to the roll-out;
- If development is industry-led, governance & oversight will be required to ensure all views are represented. Given that competing views are likely in this scenario, in order to get closer to consensus across industry, taking this approach may result in less clear-cut recommendations.

We believe it critical to ensuring successful development of the smart metering system, that Ofgem, DECC, and the energy supply companies have access to a wide range of expertise & expert views in relation to the communications services needed by the Data Services, and Communications Service.

The Community of Technical Experts is a useful mechanism for gathering feedback; however additional forums to ensure that full access to expertise is made available may assist with acceleration of the requirements definition phase:

- Open forum Q&A to industry by the Expert & Sub-Groups;
- Industry offering access to experts in an advisory capacity and in an open forum, in any specific subject area requested by the working groups

To avoid the creation of competing standards; or delay to the programme cause by the creation of new standards, we believe that existing standards and protocols should be used in the core and aggregation communications layers.

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 that the use of targets is in principle a useful tool to focus attention on achieving targets. Offering incentives for early deployment in addition or as an alternative may also stimulate maximum speed of rollout. We support the proposal that suppliers are to be responsible for deployment of smart meters.

Given the aggression of the overall targets, C&W Worldwide agrees that commencing roll-out in advance of the DCC formation (on stated timetable) is a pragmatic option. We also believe that either binding roll out targets; and/or incentives for early deployment are valid mechanisms to consider in planning the rollout. Our view is that local co-ordination is most constructively managed by each energy provider. .

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?

Whilst recognising the pragmatic need for rollout to commence before DCC services are available, there is some risk in requesting but not mandating interim roll-out. As noted in our response to Q16 above, we believe that giving clarity earlier in the process as to the sanctions that the DCC is likely to have powers to impose, would be of use in risk assessment.

The period from grant of the DCC licence and the DCC target go live date appears to be the most stretching. The process of selection, design, deployment and testing of DCC systems and processes is one that we would caution is likely to be most complex, and likely to give rise to unanticipated consequences. In our view, consideration should be given to whether and how definition of systems and processes, and creation of a test environment could be pulled forward.

In our view, risks arising from the interim period include:

- (i) risk that the solutions deployed are fragmented, with insufficient interworking, or testing to demonstrate that interworking is possible;
- (ii) risk of wasted cost, particularly in relation to pre-DCC deployments of Head Ends; and/or investment in energy suppliers own data centre assets;

Consideration could be given to:

- (i) establishing a pre-DCC function (perhaps fulfilled by Ofgem/DECC themselves) to review energy suppliers' interim solutions, and give a view on the likelihood of their being acceptable post-DCC creation; and/or
- (ii) mandating trials during the interim period (whether through the LNCF or otherwise) for certification by an independent body giving relief from the risk of implementing non-compliant interim solutions.

We believe that the final view on both "initial" and further Smart Grid functions that are expected to be enabled by/delivered through the Smart meter infrastructure is required prior to implementation (whether pre- or post-DCC) to mitigate the risk of technology choices being made that may otherwise subsequently be insufficient.

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?

Overall, it is our view that further acceleration of the timetable, puts timescales, and quality execution at risk.

Consideration could be given to:

1. establishing a pre-DCC function (perhaps fulfilled by Ofgem/DECC themselves) to review energy suppliers' interim solutions, and give a view on the likelihood of their being acceptable post-DCC creation; and/or
2. mandating trials during the interim period (whether through the LNCf or otherwise) for certification by an independent body giving relief from the risk of implementing non-compliant interim solutions.

Steps to prepare for physical roll out could start early in the process, for example:

- (i) Early execution of customer communication activities;
- (ii) Work to gather/validate customer contact details, including email and mobile phone number (with permission) for use in communications regarding installation of meters. For example, the kind of form that one completes to confirm contact details for electoral register registration could be issued;
- (iii) Consider a more aggressive target for the first year post formation of the DCC;

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?

Reuse of existing standards, or leveraging standards work already in plan would be one way to ensure solid foundations for the technical specifications. We believe that mandate M/441 from European Commission is planned to yield European-level standards by June 2011 is one set of standards that should be actively considered for GB Smart Metering.

More parallel working through creating a larger number of working groups focussed on narrower question sets is in our view likely to accelerate.

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?

Given that the DCC's primary focus will be on the provision of data and communications services, we would recommend ensuring that Ofcom are represented on the board of the DCC, and/or as formal secondees to Ofgem.

STATEMENT OF DESIGN REQUIREMENTS QUESTIONS

Chapter 3

Question 1: Should the HAN hardware be exchangeable without the need to exchange the meter?

Yes. We agree that the HAN hardware, as with other devices which form part of the smart metering system should be independent and exchangeable as far as possible.

Question 2: Are suitable HAN technologies available that meet the functional requirements?

Existing open and mature wireless solutions exist within the IEEE802.11 specifications that can be deployed within the HAN. In addition IEEE802.15 solutions such as Zigbee could also be employed. Consideration could also be given to other solutions such as Z-Wave.

In short we believe suitable HAN technologies exist, and the DCG scope should include HAN technology supplier due diligence to identify and shortlist these.

Question 3: How can the costs of switching between different mobile networks be minimised particularly in relation to the use of SIM cards and avoiding the need change out SIMs?

There are two methods that could be considered:

- The use of roaming agreements between mobile operators would allow a single physical device (SIM card) for use with multiple mobile operators. Note that the use of international roaming both for routing of traffic, and as the construct allowing access to all mobile providers international roaming is the only ;
- The use of a “soft SIM” or neutral SIM provided and managed by a party other than the main mobile operators. This would allow the selection of a preferred network at each meter location, based on signal strength and/or commercial benefit while avoiding the cost of physical SIM change-out.

Question 4: you believe that the Catalogue is complete and at the required level of detail to develop the technical specification?

With a particularly focus on the WAN, we believe that the catalogue is largely at the required level of detail to develop the technical specification. However:

- We would welcome further specificity as to the physical data centre requirements anticipated: any restrictions as to location; any expectations as to the number of location; connectivity; storage estimates (beyond the high level estimates of total volume provided for data volumes over the WAN); acceptable load at each individual location; the need for full synchronisation or otherwise;

- We note that it is expected, and we welcome, further work on the estimated data volumes over the WAN particularly in light of ongoing work on the preferred approach to data privacy and access. We would note that, more broadly, the system security requirements may impact data volumes, and design decisions, and so additionally welcome further clarity as to the proposed approach to system security as a whole.
- Further detail on the expected data throughput needs of both the anticipated initial, and future Smart Grid requirements, would assist industry in sizing and designing proposed solutions, as well as providing industry with consistent baseline view. We acknowledge that the modular approach to the WAN connection device is proposed partly in anticipation that Smart Grid requirements may drive the need for change of the physical module. However further data volume estimates will additionally assist in assessing the most appropriate short and long term WAN *connection* options.
- We welcome the indicative service levels laid out in the Service Catalogue as a useful basis for service design. We would however suggest that these are refined as the technical specification is developed, particularly taking into account an holistic view, based on a combination of service level preferred at an individual end-point level; and cost to serve each end-point.

Question 5: Do you agree that the additional functionalities beyond the high-level list of functional requirements are justified on a cost benefit basis?

We would note two operational points regarding the additional functionalities outlined:

- “Data for planning purposes - ability to capture and store information other than consumption data [on the meter]” Centralised storage of the additional data types will also have a low cost impact. Centralised storage will make the relevant data more readily available for use.
- Last gasp communications – please see our commentary on Question 6 in the main question section.

Question 6: Is there additional or new evidence that should cause those functional requirements that have been included or omitted to be further considered?

We are not aware of any such additional or new evidence.

Chapter 5

Question 7: Do you agree that the proposed approach to developing technical specifications will deliver the necessary technical certainty and interoperability?

Reuse of existing standards, or leveraging standards work already in plan would be one way to ensure solid foundations for the technical specifications. We believe that mandate M/441 from European Commission is planned to yield European-level standards by June 2011 is one set of standards that should be actively considered for GB Smart Metering.

More parallel working through creating a larger number of working groups focussed on narrower question sets is in our view likely to accelerate.

Question 8: Do you agree it is necessary for the programme to facilitate and provide leadership through the specification development process? Is there a need for an obligation on suppliers to co-operate with this process?

We strongly agree that facilitation & leadership by the programme is necessary. We believe it is in the interest of the suppliers to co-operate.

Question 9: Are there any particular technical issues (e.g. associated with the HAN) that could add delay to the timescales?

Other than the observations made elsewhere in relation to the areas that we believe represent the highest implementation risk, we are not aware of particular technical issues.

Question 10: Are there steps that could be taken which would enable the functional requirements and technical specifications to be agreed more quickly than the plan currently assumes?

Reuse of existing standards, or leveraging standards work already in plan would be one way to ensure solid foundations for the technical specifications. We believe that mandate M/441 from European Commission is planned to yield European-level standards by June 2011 is one set of standards that should be actively considered for GB Smart Metering.

More parallel working through creating a larger number of working groups focussed on narrower question sets is in our view likely to accelerate.

ROLLOUT STRATEGY QUESTIONS

Chapter 2

Question 1: Do you believe that the proposed approach provides the right balance between supplier certainty and flexibility to ensure the successful rollout of smart meters? If not, how should this balance be addressed?

The proposed approach as presented as balance and pragmatic, specifically avoiding the dangerous areas of forced migrations and penalties which could trigger negative consumer reaction. The proposal lacks a 'what if' element though, with little contingency if the approach fails to keep pace with the implementation curve.

There are a number of ways in which this potential emerging imbalance could be addressed:

- Participation in any 'Green Deal' initiative; the installation of micro generation (where power can be exported back to the grid) or an Electric Vehicle charging point should come with a mandatory installation of a Smart Meter within 90 days
- Provision for landlords to agree to migration in multi tenanted buildings over and above the agreement of individual residents
- The inclusion of deadlines for 'choosing' your installation slot beyond which a slot will be allocated to you. In a consumer driven programme this should help to spread installation dates and avoid the rush as the deadline for installation approaches
- Mandating meter installation for the significant volume of new housing stock which will be coming into being over the roll-out period

We believe that the local and national awareness campaign will be critical in a consumer 'pull' model. Whilst actual co-ordination of the rollout may also be beneficial, trusted 3rd parties will play a significant role in education and driving demand. Reliance on 3rd parties may also reduce the costs associated with advertising campaigns.

As a communications provider we believe that 30% of homes will require an 'in-fill' solution for home access. These solutions will require the establishment of specific infrastructure for smart metering with the associated capital costs. In these areas there may be a lag between installation and full functionality ie the consumer will have access to the IHD but the meter may still need to be manually read. In order to manage the best economic model for the rollout the communications infrastructure needs to wait for a 'critical mass' of demand before the capital investment is made. These areas therefore may warrant an area led rather than consumer pull model.

Question 2: Would the same approach be appropriate for the non-domestic sector as for the domestic sector?

The same 'pull' principles should work for the non domestic sector however there is a greater opportunity for involvement of trusted 3rd parties such as landlords, industry associations and service providers / suppliers.

The inclusion of small businesses in the Green Deal initiative is a positive step in generating demand for smart meters.

Question 3: Is there a case for special arrangements for smaller suppliers?

Whilst smaller suppliers will face specific issues of economies of scale C&W Worldwide believe that the same approach as outlined above should apply. Critically the smaller suppliers must have the ability to accelerate their programme of rollout where their workload planning identifies times of excess resource, making the increase in manpower economically sustainable. The alternative is that the smaller suppliers will be slow to adopt as they attempt to manage with existing resources.

Chapter 3

Question 4: What is the best way to promote consumer engagement in smart metering? As part of broader efforts, do you believe that a national awareness campaign should be established for smart metering? If so, what do you believe should be its scope and what would be the best way to deliver it?

Whilst a national awareness campaign is necessary, the large investment during this time may be received badly by the public. Linking the programme to other messages around sustainability and the Green Deal as well as the existing communication channels from energy suppliers and trusted 3rd parties such as local councils could be just as effective.

Question 5: How should a code of practice on providing customer information and support be developed and what mechanisms should be in place for updating it over time?

On the assumption that any national awareness is predominantly a co-ordination exercise rather, it is our view that the co-ordinating body should be responsible for setting guidelines and monitoring take up / penetration. Tasking the DCC with ongoing management and updating of the code should be considered although we would envisage the DCC working closely with suppliers of all sizes in order to incorporate their views.

Chapter 4

Question 6: Do you agree with the proposed obligation on suppliers to take all reasonable steps to install smart meters for their customers? How should a completed installation be defined?

The all reasonable step measure appears to be a sensible pragmatic requirement. The refusal of householders to allow access for a smart meter to be fitted needs to be questioned. For example if

large numbers of householders refuse does this undermine the benefits of the programme? Would the mandating in law by a certain date be accepted?

If there is a possibility of significant shortfalls in the numbers of meters being deployed, there could be significant implications on the economics (and particularly economics of scale) of the roll out.

Question 7: Do you think that there is a need for interim targets and, if so, at what frequency should they be set?

Interim targets aligned to the forecast rollout on an annual basis are essential to prevent a backend loaded plan which becomes unachievable due to resource or supply constraints. A slow ramp up with a brief period of peak activity will drive risk and cost into the rollout; an early start and sharper ramp up with a more sustainable profile of implementations over a longer period with control costs and provide sustained employment.

Question 8: Do you have any views on the form these targets should take and whether they should apply to all suppliers?

The proposed % of existing customer base seems appropriate although some allowance should be possible for relatively sharp increases or decreases in customer numbers.

Question 9: What rate of installation of smart meters is achievable and what implications would this have?

As a communications provider we do not envisage any installation constraints in the early years of deployment.

Chapter 5

Question 10: Do you have any evidence to show that there are benefits or challenges in prioritising particular consumer groups or meter types?

As a communications provider Cable&Wireless Worldwide do not have any evidence to support the prioritisation of specific groups. However we believe there are considerable benefits to some user groups such as the prepaid market or those on low incomes, from the early deployment of smart meters and these groups should be considered in any rollout planning.

We are happy to share our views on these benefits if required.

Chapter 6

Question 11: Do you agree with our proposed approach to requiring suppliers to report on progress with the smart meter rollout? What information should suppliers be obliged to report and how frequently?

We have no specific views on the reporting requirements other than a request to ensure that the information gathered has a tangible and defined purpose in promoting the aims of the programme.

Chapter 7

Question 12: Do you agree that there is already adequate protection in place dealing with onsite security or are there specific aspects that are not adequately addressed?

We believe that there is potential for this rollout to be abused by those wishing to gain access to people's homes for criminal or unethical purposes. We recommend that in addition to the existing measures that a robust appointment, reminder and notification process is put in place which could be as simple as an automated phone call or text message. In this way the consumer is expecting the visit and will be more accepting of it. This method will also help to reduce wasted visits where entry cannot be gained and will remove the potential for unauthorised people gaining access to the home under the guise of installing a smart meter.

These solutions are easy and inexpensive to integrate into the appointment or scheduling systems which the installers will need to deploy and will significantly increase consumer confidence in the rollout programme.

Question 13: Do you agree with our proposal to require suppliers to develop a code of practice around the installation process? Are there any other aspects that should be included in this code of practice?

A code of practice is a necessary and sensible step to avoid customer confusion and to ensure a positive experience of the rollout. We believe that this code should include guidance on how:

- appointments are made,
- reminders, cancellations and rebooking is facilitated
- follow up queries are managed; specifically there is potential for a significant increase in calls to query energy usage, tariffing and billing immediately following the smart meter installation.

Some guidelines around preparation to handle these queries may be required.

IMPLEMENTATION STRATEGY QUESTIONS

Chapter 2

Question 1: 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?

Given that the DCC's primary focus will be on the provision of data and communications services, we would recommend ensuring that Ofcom are represented on the board of the DCC, and/or as formal secondees to Ofgem.

Chapter 3

Question 2: Are there other cross-cutting activities that the programme should undertake and, if so, why?

Cable&Wireless Worldwide welcome the cross-cutting activities laid out in the Prospectus, we equally welcome, the subsequent additional emphasis placed on:

- Definition of interoperability, particularly with regard to interoperability between interim solutions and the final solution to be managed by the DCC. A clear outline of the characteristics, or principles by which the DCC and suppliers will together manage migration from the interim to full solution will in our opinion reduce transfer risk through the migration period. We believe the optimal method of achieving this for Ofgem, through the established working groups, to define and set out adoption criteria for the interim solutions that the DCC will transfer to its remit. We believe the additional certainty this offered will encourage earlier faster rollout of smart meters prior to DCC go-live – thus reducing the probability of overrun or delay.
- The need for a clear definition of eligibility rules for potential DCC candidate, particularly with a view to outlining how neutrality will be maintained in both selection of the DCC, and post-selection letting of service contracts. Most specifically we believe that clarity is needed in relation to the selected DCC entity's ability to place contracts for services rendered to the DCC to other companies which are members of it's own group of companies, and/or the clear selection criteria that will apply to the DCC's selection criteria.

In our opinion the programme should additionally undertake formal cross-regulatory activity, culminating in a framework agreed between Ofcom & Ofgem for the oversight of the data communications service provision, including the mechanism by which competition will be maintained within the supply base both in term, and on retender of the DCC licence/contract.

Chapter 5

Question 3: Do you agree with our proposal for a staged approach to implementation, with the mandated rollout of smart meters starting before the mandated use of DCC for the domestic sector?

Please see our response to Question 17 of the main Prospectus questions, repeated below;

Whilst recognising the pragmatic need for rollout to commence before DCC services are available, there is some risk in requesting but not mandating interim roll-out. As noted in our response to Q16 above, we believe that giving clarity earlier in the process as to the sanctions that the DCC is likely to have powers to impose, would be of use in risk assessment.

The period from grant of the DCC licence and the DCC target go live date appears to be the most stretching. The process of selection, design, deployment and testing of DCC systems and processes is one that we would caution is likely to be most complex, and likely to give rise to unanticipated consequences. In our view, consideration should be given to whether and how definition of systems and processes, and creation of a test environment could be pulled forward.

In our view, risks arising from the interim period include:

- (iii) risk that the solutions deployed are fragmented, with insufficient interworking, or testing to demonstrate that interworking is possible;
- (iv) risk of wasted cost, particularly in relation to pre-DCC deployments of Head Ends; and/or investment in energy suppliers own data centre assets;

Consideration could be given to:

- (i) establishing a pre-DCC function (perhaps fulfilled by Ofgem/DECC themselves) to review energy suppliers' interim solutions, and give a view on the likelihood of their being acceptable post-DCC creation; and/or
- (ii) mandating trials during the interim period (whether through the LNCF or otherwise) for certification by an independent body giving relief from the risk of implementing non-compliant interim solutions.

We believe that the final view on both "initial" and further Smart Grid functions that are expected to be enabled by/delivered through the Smart meter infrastructure is required prior to implementation (whether pre- or post-DCC) to mitigate the risk of technology choices being made that may otherwise subsequently be insufficient.

Question 4: Do you have any comments on the risks we have identified for staged implementation and our proposals on how these could best be managed?

We agree that any requirements in respect of consumer protection, interoperability, minimum functional requirements and technical specifications should be fully defined in advance of the start of the mandated rollout. We assume that the reference to technical specifications would include full definition of the security requirements, and security methodology recommended. If not, we would recommend security is added to the aforementioned list of requirements.

We acknowledge that your planning has been conducted on the basis that the period of six months between the definition of the framework and the coming into effect of the obligation to comply with the mandate. We believe that the 6 month period allowed for set up is extremely stretching, particularly with regard to conducting market/live testing which many suppliers have indicated would be their preference.

One further way of smoothing the demands on the DCC would be to permit a longer period between DCC go-live any the requirement for the DCC to novate/take responsibility/judge any interim solutions in place pre-dating the DCC's existence.

Question 5: Do you have any other suggestions as to how the rollout could be brought forward, including the work to define technical specifications, which relies on industry input?

Please see our response to Questions 18 (in relation to the potential to accelerate the roll-out; and Question 19 (in relation to the approach to defining the technical specification) of the main Prospectus questions section.

We re-iterate our view that further acceleration of the timetable, puts timescales, and quality execution at risk.

Consideration could be given to:

1. establishing a pre-DCC function (perhaps fulfilled by Ofgem/DECC themselves) to review energy suppliers' interim solutions, and give a view on the likelihood of their being acceptable post-DCC creation; and/or
2. mandating trials during the interim period (whether through the LNCf or otherwise) for certification by an independent body giving relief from the risk of implementing non-compliant interim solutions.

Steps to prepare for physical roll out could start early in the process, for example:

1. Early execution of customer communication activities;
2. Work to gather/validate customer contact details, including email and mobile phone number (with permission) for use in communications regarding installation of meters. For example, the kind of form that one completes to confirm contact details for electoral register registration could be issued;
3. Consider a more aggressive target for the first year post formation of the DCC;

Reuse of existing standards, or leveraging standards work already in plan would be one way to ensure solid foundations for the technical specifications. We believe that mandate M/441 from European Commission is planned to yield European-level standards by June 2011 is one set of standards that should be actively considered for GB Smart Metering.

Question 6: Do you agree with our planning assumption that a period of six months will be needed between the date when supply licence obligations mandating rollout are implemented and the date when they take effect?

Cable&Wireless Worldwide would note that extensive activity will be required in the period between the licence taking effect, and the provision of live service and that 6 months is in our view extremely aggressive. We would suggest that the earlier the detailed, service-level based requirements for the services to be provided by the DCC can be captured the more that risk is mitigated. The earlier that the outputs are defined, the less complexity will need to be addressed during the 6 months period; and the simpler the migration schedule.

Question 7: Do you have any comments on the activities, assumptions, timings and dependencies presented in the high-level implementation plan?

In our view, the highest risk phase is from DCC creation, to DCC go live. The complexity of: (i) the process the DCC will need to execute to define, procure, and negotiate with its service providers; (ii) the real need, which we fully support, for the pilot and market test phase to be extensive enough, and with enough longevity to fully validate communications & data services before embarking on the national programme; and (iii) the additional complexity and need for migration added by the interim period, and likely associated interim solutions.

Question 8: Do you have any comments on the outputs identified for each of the phases of the programme?

Beyond the concerns expressed in response to Question 7 above in relation to timetable risk, we have no further comment with regard to the outputs of implementation phases.