

**Question 1: Do you have any views on our proposed approach for addressing potential tariff confusion? What specific steps can be taken to safeguard the consumer from tariff confusion while maintaining the benefit of tariff choices?**

- I note the need for sufficient data to have been obtained for a TOU tariff to be articulated to the consumer. In the early days of the smart meter rollout should there be a requirement for say 1 to 3 months data required to ensure an informed decision?
- Alternatively, should/could we initially have a trial period for the consumer on TOU and an ability to have it re-billed if it was not TOU as a means of reducing data period and increasing consumer confidence?
- Should we consider a phased approach TOU?
- How will comparison websites be able to cope with TOU tariffs?

**Question 2: Do you agree with our proposed approach for addressing unwelcome sales activities during visits for meter installation?**

- The programme to roll out smart meters is yet to be informed of the extent to which customers will require education e.g. restoration of supply – prepayment – IHD functionality etc
- It is also difficult to understand how the initial proposition for a visit to embrace sales and marketing can be precisely articulated/managed e.g. 'Would you like to know how to cut your energy bills etc? Would most consumers not just say yes?
- Could/should we decouple installation from consumer training/sales and marketing?
- Instinctively it would seem more appropriate to try and combine an educative visit and make this a more precise opportunity for the customer to opt in or out of a sales type discussion.

**Question 3: What do you consider as acceptable and unacceptable uses of the installation visit and why?**

Yes to:

- TOU would benefit many consumers and certain devices would enhance this e.g. Time switches
- Heating water in the summer months is generally cheaper by electricity overnight compared to gas – this will require some additional changes
- Lagging jackets – roof insulation – cavity wall insulation
- Etc – in short 'relatively modest solutions that reduce energy consumption or costs'

No to:

- Appliance maintenance agreements
- Double glazing
- Solar PV or Solar Water Heating

- Not high capital cost - are we giving suppliers and an advantage other competitors don't have - is it potentially anti-competitive?

**Question 4: Do you agree with our proposed approach to ensuring that the IHD is not used to transmit unwelcome marketing messages?**

- Initially yes.
- However, messages about the weather and temperature in the winter months should enable a more efficient use of heating. This aspect may assist to keep the IHD in use.
- Customers pay for these devices – should they pay for their own persuasion?
- As this a mandated channel does this give Suppliers an unfair advantage they do not pay for?

**Question 5: Do you agree that consumers should be able to obtain consumption information free of charge at a useful level of detail and format? How could this be achieved in practice?**

- Yes
- Some initial format standardisation would assist consumers
- Via a zigbee wireless interface to consumers PC in the home
- In hard/soft copy from a supplier following a request also via suppliers portal
- From the DCC following a request
- Requests for data to be given to 3<sup>rd</sup> parties needs careful consideration

**Question 6: Do you consider that existing protections in the licence are sufficient to ensure that consumers are not remotely switched to prepayment mode inappropriately?**

- I do not believe so (See answers to Q8)
- The programme to roll out smart meters is yet to be informed of the actual process/intervention required to remotely change to PP, e.g. will supply be interrupted?
- **Enabling the supply, irrespective of pre-payment, requires the meter to be easily accessible unless it can be enabled via the IHD. This needs exploration and the requirement to move the location of meters in any case.**
- If there is a basic IHD (whatever that is) will another visit be required to deliver and install one or will the basic IHD have the PP functionality?
- Safe and practical needs to be carefully prescribed in this context.
- Should consideration be given to ensure that self disconnection cannot go undetected? What are the data privacy issues? Is there a duty of care argument for suppliers to react to evidence of self-disconnection?
- etc

**Question 7: Could provision of a suitable IHD help overcome meter accessibility issues to facilitate prepayment usage?**

- Not in 100% of cases but I believe it will significantly improve the current problem subject to resolution on communications medium between the meter and IHD e.g. it may need to be hard wired.

**Question 8: What notification should suppliers be required to provide before switching a customer to prepayment mode?**

- The following is predicated on the assumption that the consumer will have at the very least been spoken to on the telephone at some stage prior to final notice.
- After the due process of debt follow up correspondence to obtain payment, 7 days notice should be sufficient. The notice to include details of payment locations etc.
- If no verbal contact has been made at all a visit must be mandatory to ensure there is not a vulnerable customer or language issue etc

**Question 9: Do you believe that suppliers should be required to provide emergency credit and 'friendly credit' periods to prepayment customers or whether, as now, this can be left to suppliers?**

- Suppliers should be required to provide emergency credit and 'friendly credit'
- The current levels for Emergency Credit seem appropriate and be left to suppliers.
- Supply should not be interrupted between say 6pm and 8am?
- Supply should not be interrupted on Sundays/Bank Holidays, such a move will also improve suppliers operational costs as has been shown in NI

**Question 10: Do you consider that an obligation similar to Prepayment Meter Infrastructure Provision (PPMIP) may be required?**

- I do not believe this obligation will be required once rollout is complete

**Question 11: Is the obligation which Ofgem is proposing to introduce on suppliers to take all reasonable steps to check whether the customer is vulnerable ahead of disconnection sufficient? If not, what else is needed?**

**Question 12: What notification should suppliers be required to provide before disconnecting a customer?**

- No – a visit should be mandatory
- An ageing population brings a number of concerns (risk aversion, technology, failing dexterity, increasing anxiety, numbness and loss of feelings), and these may well be exacerbated by the changing context brought about by smart meters and rising energy costs.

- The following is predicated on the assumption that the consumer will have at **the very least** been spoken to (and a record made on the conversation) on the telephone at some stage prior to final notice.
- After the due process of debt follow up correspondence to obtain payment, 7 days notice should be sufficient.
- It is reasonable to assume that this final/only visit will, subject to checks, simply require a call to the office to facilitate an immediate and remote disconnection. Therefore the notice of disconnection having occurred could be hand delivered at the time of this visit.

**Question 13: Do you have any views on the acceptability of new approaches to partial disconnection and how they might be used as an incentive to pay bills?**

**Question 14: Do you agree with our approach for addressing issues related to remote disconnection and switching to prepayment?**

**Question 15: Have we identified the full range of consumer protection issues associated with the capability to conduct remote disconnection or switching from credit to prepayment terms? If not, please identify any additional such issues.**

- Context - Debts are a cost to all consumers. Smart meters provide a real opportunity for new debt management techniques and reducing costs to all consumers. **New approaches should therefore be explored**
- A clear process of debt follow up should occur before consideration is given to load-credit limiting/trickle/interruptions to supply.
- There is little understanding of how load-credit limiting/trickle/interruptions to supply would operate and I urge that this is part of a robust field trial exercise; there are also implications for the smart meter functional specification. For example, if load is limited to say 3kW and if the load limit is exceeded, how will/should this manifest for the consumer? For example, should an audible alarm sound before the load limit is triggered? How long should the audible warning be to enable excess load to be switched off? What is the process to re-instate supply should it be exceeded?
- A mandatory visit should be required to explain to the consumer how this will work
- During earlier trials of this in the early 1980's we had issues of 'hunting'. I will explain when we meet.
- There is more understanding required before it can be concluded consumer protection is satisfactory
- As previously mentioned, ease of meter location is not just an issue for pre-payment but for all consumers should access, albeit rarely, be required to enable supply following arming.

**Question 16: What information, advice and support might be provided for vulnerable consumers (e.g. a dedicated help scheme)? Who should it be provided to?**

- The experience gained from the digital switchover model has a lot to commend to the roll out of smart meters.
- The engagement for 7000 volunteers in the Granada TV area was a particularly powerful example of the effort this relatively simple programme required.
- Help will not only be required for vulnerable but also, for example, those with language issues.
- PSR customers are still relatively few in number. Government's own figures estimate 4.6m households in England to be in fuel poverty.
- By leaving help for the vulnerable to each supplier to resolve runs the risk of different delivery models and confusion. At the extreme end...6 different approaches in the same street?
- A dedicated help scheme organised and funded by suppliers could be a potential way forward. This approach would also appear to have some efficiency. This should not only cover smart metering but also be used to identify additional sources of help that may also be available e.g. Warm Front and other benefits. This approach should also be considered in the context of the post 2012 supplier cert obligation which the government has already determined will be targeted at the vulnerable consumer.
- Different incapacities and vulnerabilities will require different help.
- There should be special help with TOU tariffs and appropriate safeguards to re-bill. Lifestyle will have major implications for TOU.
- I agree with the 'traffic lights' potential to convey the wrong message.
- Post installation a priority help number should also be available.
- I have changed my perspective from prioritising certain groups of consumers.
- However, I remain of the view that pre-payment consumers should be moved towards the top given the complexity of their metering, the learning and the burden they could endure being potentially one of the last to be converted to a smart meter

**Question 17: Do you have any comments on our proposals to prevent upfront charging for the basic model of smart meters and IHDs?**

- I agree with the assumption that suppliers will spread these charges evenly and have no incentive to load them on particular customers as the deployment progresses.
- Detailed and total costs of the whole programme however, should be recorded in order for post appraisal investment analysis and other monitoring requirements.

[REDACTED]

30 August 2010