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Dear Margaret,

**Smart Metering Implementation Programme – Response to Prospectus Questions**

Thank you for the opportunity to comment on the issues raised in your prospectus for the implementation of smart metering.

NGN's responses to the specific questions raised in your prospectus are set out in Appendix A to this document. If you require any further information or would like to discuss any of the issues raised in our response then please do not hesitate in contacting me.

Yours Sincerely,



Northern Gas Networks Limited

## **APPENDIX A: Detailed Responses**

**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)?**

NGN would strongly agree that an overarching objective of the rollout programme must be that customers receive a positive experience and is essential for the success of the smart metering implementation programme.

There are a range of practical issues that could impact upon the efficient installation of meters and hence impact the overall customer experience. Some of these issues will depend directly upon effective coordination with network companies to achieve the required outcome. This includes the post-installation experience for customers and processes to deal with smart metering installation related issues being raised via the Gas Emergency Helpline.

The impact upon network companies and their role in delivering the implementation programme efficiently must not be overlooked and fully considered in the rollout programme.

The gas and electricity ENA Smart Metering Operations Group (SMOG) in liaison with the Health and Safety Executive and the Association of Meter Operators working towards identifying procedures for different situations and in liaison with the National Skills Academy for Power (NSAP) this work will be reflected in installer training programmes. The output from this group will continue to be feed into the process for consideration.

**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?**

NGN has contributed directly to the ENA commissioned Engage Consulting report on network requirements for the functional specification of gas meters. Subsequently, Engage Consulting has been asked to document the comparison of ENA's requirements as detailed in the five previously issued ENA reports against those documented in the Prospectus.

This report will be fed into the response to the prospectus by the ENA.

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

NGN broadly supports the approach to developing technical specifications and is actively engaged in this work via the ENA.

**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)?**

As set out in our response to Question 3 above, NGN believes that the rollout programme cannot be delivered efficiently without full consideration of those issues that will require direct input from networks or those that will have a consequential impact upon network operators' normal activities. Suppliers will need to liaise and coordinate with network companies to achieve the overall objective.

**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?**

An approach that facilitates the early deployment of Smart Meters, as this should enable the earlier realisation of consumer benefits in DECC's business case. This approach should also allow the early proving of the physical rollout process and some of the practical issues that will be identified. However, without being directly involved in the delivery of the rollout programme it is difficult to comment directly on the impact either operationally or financially of a staged approach.

Acceleration of such a programme will include inherent risks that full consideration will not have given to issues that will impact upon the rollout programme for smart metering with the potential for storing up problems for later in the programme and potential future delays. There are also wider issues around access to data during any 'interim' or 'first phase' of any accelerated programme. Current processes and requirements should not allowed to be impacted by this approach.

**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 need for a coordinated approach working with networks will be essential to an efficient rollout programme as there will be a need to ensure that adequate network resources are made available to support this work. For example, information on suppliers planned workload that accounts for seasonality on network companies workloads.

**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?**

NGN recognises that getting the technical specification of the Smart Metering System correct prior to implementation is vital to the success of the Smart Metering programme and the future operation of Smart Networks. NGN will continue to fully support this aspect of the programme.

**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?**

NGN supports the proposed governance and management principles.