

30/09/2009



To : **Margaret Coaster**
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Dear Margaret,

Re: Response to Questions Raised - Smart Metering Implementation Programme

Salient Systems Limited (SSL) are happy to respond to questions raised within the prospectus and accompanying documents. Our comments here are by no means confidential, please feel free to disseminate them as you see fit.

At the outset it is important to qualify our particular stakeholder positioning, experience and interest in the outcomes of the programme so that reviewers are fully aware of the drivers in play that influence our views.

SSL are a software product solutions and consultancy company operating in the UK and totally focused upon the delivery of business system solutions to the Utilities market space. Our fully automated Electricity NHHDC, NHHMO industry qualified solutions and our RMS metering work management and field service system solution are in place at significant agent providers of metering services to their Supplier and SME/I&C clients.

It follows that the proposed scope of the DCC and the specification of its necessary bi-directional interfaces to authorised parties/agents is of significant interest to SSL. We have restricted our brief responses here to those questions raised which require early response, are relevant to our particular stakeholder interest and which provide opportunity for us to raise our concerns upon or relevant inputs to their outcomes.

I have provided our initial response in the form of a short summary of our observations and concerns rather than as a punctuated set of responses to particular questions raised. I hope our approach here does not compromise your review objectives too greatly. To assist, I have included below the set of related questions from across the prospectus document set which require early response and together have prompted this response from ourselves.

Question References :

Statement of Design Requirements

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

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?

Implementation Strategy

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?

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?

SSL Summary Response

SSL conclude that the proposed initial functional scope of DCC is sensible, pragmatic and entirely achievable within project schedules. Our concerns at this point relate only to the evidence available that DCC will achieve services that are commercially interoperable across its client community.

The complexity attached to the detailed design and delivery of meter reading data retrieval services at DCC may be classified as non-complex – indeed example models of Smart DR only service solutions, including our own, are available and operating at existing service providers. Further, the impacts upon external systems that must interface to DCC in order to achieve industry required end-to-end coverage of meter reading delivery through to settlement processes will, we believe, be both clear and economically addressed by modern systems – notwithstanding the impacts of particular refinements to industry data models that will undoubtedly (hopefully) arise. Review of existing approaches will presumably present relevant inputs to DCC detailed design activities and objectives.

However, the available discussion and description of DCC's proposed 'Translation Services' functional set (Ref: Communication Business Model, section 2.43 and model diagram) raises significant concerns. What little discussion that is available within the prospectus document set appears oblivious to current initiatives being pursued by early Smart adopters and their consequent impacts upon services that will be expected from DCC.

Although not explicitly confirmed or developed within the prospectus documents we must assume that in order to deliver a single and attractive UK wide communications service to Suppliers and their agents the service must not only accommodate those interfaces which are implicated by meter reading business processes but by all business processes that implicate interaction with the meter or with attached infrastructure. It is surely perverse in the extreme to conclude from the prospectus thus far that alternate discrete communication networks to Smart infrastructure will be expected to exist to accommodate, for example, Supplier message channels, meter reconfigurations (tariffs etc), pre-payment meter data management etc. The interfaces proposed within the DCC model from external systems to DCC Translation Services via the Secure Communications Network and Access Control function (Ref: Communications Business Model, section 2.40 and model diagram) must support a wide range of required interactions with the Smart infrastructure.

On the basis of our assumptions here and our observations concerning approaches that are and will continue to be adopted by Suppliers to construct industry compliant but commercially

differentiated business processes right down to the Smart meter we believe that the required scope of Translation Services at DCC will require significant attention and consultation in order to assure that they are fit for purpose (commercially interoperable) when DCC is mandated – otherwise DCC will run the risk of objection or rejection completely.

Early adopters of Smart are typically and sensibly addressing the potentials delivered by Smart to achieve differentiated services to their customers. System designs are characterised by the mapping/explosion of differentiated business processes to discrete, sequenced work flow interactions with components of the Smart meter and infrastructure - complemented by or including those interactions required to satisfy industry defined business process constraints. Interactions are implemented within Smart Head End facilities.

Although Smart 'Brokerage' services at DCC Translation Services layer are entirely possible - translating/transforming/complementing externally defined commercially flavoured business process requests to accommodate the set of discrete industry defined process collisions and to subsequently illuminate an integrated set of discrete interactions required at the Smart infrastructure - it is likely that such an approach would be difficult to achieve across all potential clients of DCC services at go-live. This approach would also likely subvert the commercial advantage that will be achieved in the interim by innovative and imaginative Suppliers through investment in such services that join CRM, NHHMO and Smart meter data management and communications head end layers. In the interests of reinforcing competition in the supply market it would seem appropriate for such brokerage services to remain within the domain of individual supply companies.

However, the pre-cursor to achieving such system design approaches is already familiar to metering data management system designers and service delivery agents. Decompositions of required business processes, particularly industry defined business processes, are already achieved and exercised by effective implementations of systems and services, evidenced in the detailed work flows implemented at both pedestrian based meter worker field service applications and at Smart Head End facilities. The census of the logical definitions of the interactions available against Smart infrastructure, at the right level of decomposition, must be available and tested to assure that the bottom up mapping of action sets to achieve each and every high level business requirement can be achieved.

This published census of logical definitions of available interactions, we believe, must be a key output from early detailed design of Translation Services at DCC, along with illumination of sequencing/control coupling mechanisms and convenient hierarchical 'entry' points defining particular explosions to primitive action sets. This approach, we believe, will deliver both 'vanilla' interfaces to DCC Translation Services while protecting investments made by proactive early adopters so that they may continue to achieve differentiated and extended services via work flow prescriptive interfaces. The translation of logically defined work flow sequences, scheduling and control requirements to their physical implementations at Smart infrastructure component, meter model and protocol specific variants will form the necessary physical delivery layer at DCC Translation Services.

Whatever detailed design approach is adopted by the proposed Data and Communications expert group, particularly around the scope of Translation Services, we would hope that any leanings towards One Size fits All solutions will be quickly discarded. The objective of avoiding change to existing industry processes while achieving flexibility of interface to DCC in order to assure commercial interoperability with interim solutions that will be in place once DCC is delivered must be achieved.

We are confident that Suppliers recognise the issues here and the associated risks attached if they fail to commit to total immersion within the process of DCC solution design and delivery. Nevertheless, an obligation upon Suppliers to commit would be helpful if only to avoid subsequent objection handling exercises that may compromise DCC implementation schedules.

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The split of the proposed expert group scope remits between the SMDG and DCG are considered legitimate and pragmatic. Programme leadership and facilitation within and across the expert groups is a given. The facilitation role across the groups is likely to be extensive and will require both technical and business skills and leadership collateral. The business model, interoperability model that emerges from DCC Translation Services design at DCG will likely have significant impact upon technical system component designs that must be delivered by SMDG. Facilitation and assurance of the implicit contractual relationship between the expert groups in this and other areas is critical.

Yours sincerely,

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