

Margaret Coaster
Smart Metering Team
Ofgek E-Serve
9 Millbank, London SW19 3GE

Date: 25th October 2010

Prospectus Response (for 28th October 2010)

Dear Ms Coaster,

Below are our answers to the prospectus questions as requested.

Telenor Connexion are a Swedish company with a UK office. We are the worlds first company to operate an independant telecommunications network and platform for machine to machine technology for applications such as Smart Metering. We have met with Robert Hull and Maxine Frerk to explain our interest and experience and are delighted to offer some responses to the prospectus questions:

Smart Metering Implementation Program: Prospectus

Question 9: Do you have any comments on the proposal that the scope of activities of the central data and communications function should be limited initially to those functions that are essential for the effectice transfer of smart metering data , such as data access and scheduled data retrieval?

In a competitive market such as the UK, this is essential. The size and importance of the long term DCC role requires that responsibility and decision taken must be step by step and timely. This will ensure that you do not encounter a situation where the decisions made are not reversable or are restrictive in the long term. The essence of the DCC should be independence and the promotion of fair competition to ensure that interoperability remains in place for consumers. This commercial and technical interoperability is at risk as "installed base" grows where physical visits to site to change communication providers can not be acceptable.

Question 10: Do you have any comments on the proposal to establish DCC as a procurement and contract management entity that will procure communications and data services competitively?

This is an excellent decision. It is impossible for the DCC to be in any way associated with a communications company so long as you wish to promote a fair and competitive environment.

Smart Metering Implementation Program: Communications Business Model

Question 4: Do any measures need to be put in place to facilitate rollout in the period before DCC service availability and the transition to provision of services by DCC, for example requiring DCC to take on communications contracts meeting certain predefined criteria?

It seems that there is a chance that GSM solution will be used in the future as a part of the solution. As such, it is useful to keep interoperability and competition at the forefront of any decision. We suggest that any SIM solution in the long term (DCC) should be able to operate as below. As such, this needs to be at least considered for the pre DCC solution:

1. SIM can operate in a MANAGED way on all UK networks technically.(not simply roaming with no

control)

2. SIM can operate on all UK networks without prejudice (ie not owned by a single UK network) to ensure long term commercial independence.

Additionally, there is mention of contract novation to DCC in the long term. This needs to be more clearly defined to give suppliers the confidence to rollout.

Question 5: Do you agree that the licensable activity for DCC should cover procurement and management contracts for the provision of central services for the communication and management of smart metering data.

Absolutely. Not only include, but be limited to. This is essential to ensure an independent, fair and competitive environment.

We must also add that possibilities outlined in point 3.19 and 3.28 would be very dangerous ideas. In order to remain independent the potential DCC's should actually have to declare that they have had no pre-contractual discussions with communications providers. This can only lead to the potential of consortiums and preferential suppliers etc. This defeats the object of the DCC being independent if prior to appointment and commencement of the procurement process, it has pre-concieved ideas. The procurements process (including any discussions with potential suppliers) should not start until the DCC license has been awarded and the winning party has agreed all terms and conditions for fair procurement.

Question 6: Do you consider that DCC should be an independent company from energy suppliers / and or other users of its services and , if so, how should this be defined.

Yes, it should be financed by the energy companies based on the size of their customer base but independently regulated by DECC / OFGEM as a monopoly..

Finally, a member of our company, Fredrik Liljeström, holds the key role leading the GSMA's Roaming Fraud and Security workstream. This global organisation represents all major mobile network operators in the world and this group will be the central point for discussions such as mass deployment of SIMS in the metering market. We would very much like to offer Mr Liljeström to be added as a member of the Data and Communications expert group. Please contact me if you would like us to arrange this.

Many thanks for the oportunity to provide our input. We would be happy to discuss our answers further if you believe it could be of assistance.

Kind regards,

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