

## **Chapter 2 – The consumer experience**

**Question 1:** Do you have any comments on the proposed minimum functional requirements and arrangements for provision of the in-home display device?

We are broadly in agreement with the proposals in this area. We do not consider there is a benefit in displaying data relating to carbon emissions as we believe price is the main factor that will affect customer behaviour.

**Question 2:** Do you have any comments on our overall approach to data privacy?

The overall approach is suitable but we would stress that it is getting the detailed design requirements right that will be critical for ensuring that data privacy and security is maintained.

**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)?

We believe this is primarily an issue for suppliers and their agents. However, supplier plans must recognise that there will be a need to communicate with the Distribution Network Operator (DNO).

A potential issue here is that there will be occasions when the DNO needs to attend the site, due to a problem with the service being discovered at the time the meter operator visits to replace the meter.

Where the problem can be rectified subsequent to the meter change, for example a replacement of a meter cupboard door, the site visit can be scheduled using normal, existing processes. However, where a problem prevents the meter change then some customer inconvenience is inevitable.

We note that the Smart Meter Roll Out document makes reference to DNO companies having “rapid response teams” set up to deal with these issues. Whilst this is possibly a partial solution, it will be difficult to manage in the absence of us having detailed information about the meter operators’ work schedules. For instance, if for a given week we are aware of a high volume of work planned in one location and a low volume in another, we could divert staff to be on standby where the workload is likely to be heavier.

A question also arises in the event of a bad weather incident. Will the meter replacement program be suspended during periods when the DNO staff is fully deployed making repairs to restore supplies? If not then during such times there is a risk that no DNO assistance will be available to the meter operator.

Any code of practice developed should therefore recognise that an immediate response by DNO staff will not always be possible. Meter operators should not start work to replace a metering system unless they have first ascertained that there is either no need for the DNO to attend or, if there is, that assistance is available.

**Question 4:** Have we identified the full range of consumer protection issues related to remote disconnection and switching to prepayment?

We believe that policy in this area is primarily an issue for suppliers. However the detailed design phase of the program must ensure DNOs have the information needed for any “customer off supply” call they may receive as a result of a supplier initiated disconnection.

**Question 5:** Do you have any comments on the proposed approach to smaller non-domestic consumers (in particular on exceptions and access to data)?

From a DNO perspective this approach could make life more difficult as we would not have a single point of contact for getting hold of metering data, i.e. the DCC.

Alternate solutions are offered, such as new license conditions obliging suppliers to provide us with what we need and, if these arrangements prove effective, the proposed approach should not cause any insurmountable issues.

We recognise the importance and potential value of competition in the provision of communications for non-domestic customers so, at this stage, we would support the proposed approach. However, should the absence of a single communications provider subsequently cause problems with the implementation of smart grids, we would expect the decision not to mandate the use of DCC for the non domestic sector to be reviewed and, if necessary, reversed.

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**Chapter 3 – Industry roles & responsibilities**

**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?

From a DNO perspective the proposals seem deficient in two areas.

1. Latency – It is likely that real time, rather than near real time, communications will be necessary to deliver the full long term benefits of smart grids. The functional requirements, and other areas within the consultation documents, appear to assume that mobile phone communications will be the standard and this may not be suitable.
2. It seems that all communications to and from the meter will be sent via DCC. Unless this approach can deliver the real time data needed by DNOs then some communication may need to take place directly between the metering system and the DNO.

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

Although we would generally support the principle that Industry should set the specifications there is a risk that conflicting views amongst participants may delay agreement being reached. The programme should therefore be ready to mandate a specification if the proposed approach starts to stall.

Any obligation placed on suppliers to develop the technical specification should include a requirement to consider the needs of DNOs.

**Question 8:** Do you have any comments on the proposals that energy suppliers should be responsible for purchasing, installing and, where appropriate, maintaining all customer premises equipment?

We agree with this approach.

**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 effective transfer of smart metering data, such as data access and scheduled data retrieval?

We agree that only these minimum requirements should be in scope initially. Provision of a centralised communications agent to enable the effective transfer of smart metering data will deliver the vast majority of the benefits that smart meters offer. Extension of the scope should only be considered when the initial system has bedded in and when a robust cost/benefit analysis proves the case for it.

We recognise that some parties will want to see registration included within the scope of DCC from day one. Our view is that the additional level of change this will cause to existing processes will put at risk the implementation of DCC by the required date of autumn 2013. It will be a relatively simple change to make registration data available to DCC and the initial scope should include this.

As stated in the prospectus and supporting documents, the introduction of smart meters will provide opportunities to streamline and improve various existing industry processes. This would include improvements to registration.

Within the electricity sector industry processes are generally defined within the BSC and MRA and it will be necessary to coordinate the implementation of new processes under the Smart Meter Code with the ending of the equivalent current processes under the BSC/MRA.

The modification/change processes of the BSC and MRA are well developed and, where it impacts on current processes, they will allow for a change to the initial DCC scope to be properly analysed and assessed. We therefore recommend that the proposal to change the registration process should be considered through normal industry change processes.

**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 approach works well in other areas, such as the provision of the Electricity Data Transfer Network, and should therefore ensure the industry is initially provided with a good value service

**Question 11:** Do you have any comments on the proposed approach for establishing DCC (through a licence awarded through a competitive licence application process with DCC then subject also to the new Smart Energy Code)?

No comment

**Question 12:** Does the proposal that suppliers of smaller non-domestic customers should not be obliged to use DCC services but may elect to use them cause any substantive problems?

It should not cause any substantive problems provided DNOs can get the required access to data. It will therefore be important for the programme to closely monitor the position and to act to impose requirements for use of the DCC for all metering systems if this is required.

**Question 13:** Do you agree with the proposal for a Smart Energy Code to govern the operation of smart metering?

We agree that a new Smart Energy Code should be developed.

**Question 14:** Have we identified all the wider impacts of smart metering on the energy sector?

The wider impacts listed appear to cover the major issues.

Should other smaller impacts emerge during or subsequent to implementation then the proposed new code has provisions for modification so that emerging issues can be addressed.

**Question 15:** Is there anything further we need to be doing in terms of our ensuring the security of the smart metering system?

The overall approach is suitable but we would stress that it is getting the detailed design requirements right that will be critical for ensuring that data privacy and security is maintained.

**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 suppliers should be responsible for the rollout of Smart Meters. The need for future obligations on local coordination is unclear at this stage but we would expect suppliers to cooperate with local groups and, in particular, the DNOs.

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**Chapter 4: Implementation and next steps**

**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?

Rollout ahead of DCC being available will accelerate the installation of smart meters but will increase risks at the point when communications “migrate” to the DCC. Plans to mitigate these risks can be developed as part of the detailed planning in a later phase of the program so, on balance, rollout ahead of DCC is a good idea.

A further advantage of an early, lower volume rollout is that it will allow for problems to be identified, and solutions developed, prior to the meter replacement program being run at full speed. Disruption to customers should therefore be minimised using 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 much measures would impact on the time, cost and risk associated with the programme?

We have no further suggestions to those already in the prospectus.

**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?

The current estimate of 6 to 9 months is realistic provided that parties act in the best interests of the programme as a whole and do not cause delays in the hope that their own specifications become the de-facto industry standard. It would probably be quicker if DECC/Ofgem simply imposed a standard technical specification but this approach should only be adopted if the preferred approach begins to stall.

**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?

No comments.