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Claire Tyler
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13th April 2011

Dear Claire

G4S Utility Services (UK) Ltd (G4S) are pleased to have the opportunity to respond to your consultation paper dated 7th February 2011 with regard to consumer protection issues in relation to domestic smart metering "early movers".

As the leading independent metering services company in the UK we are committed to the Smart Metering Implementation Programme and are already engaged in the delivery of a comprehensive portfolio of Smart Metering Services.

In addition to our increasing scale of metering operations we are actively engaged in industry discussions regarding the shaping of the Smart Metering Implementation Programme and also provide our own in-house system to provide connectivity to multiple meter types in the SME and domestic sectors utilising a variety of communications solutions. We continue to lead the industry with practical solutions and are fully aware of the need for the industry to provide a positive consumer experience of Smart Metering.

In operating as an independent metering agent but with expertise in data management and communications we have limited our commentary to the areas we deem we can add relevant experience and insight. We are open to further discussions with you on this and other topics relating the Smart Meter Implementation Programme and can meet at your convenience to discuss any questions you may have.

Yours Sincerely

Jeff Studholme
Business Development Director
G4S Utility Services



G4S Utility Services Responses to Questions in the 7th February Consultation

Question 13: *Do you agree that there should be an obligation on the original supplier to offer terms for use of the meter?*

G4S believe that there are consumer benefits in the existence of a competitive metering market. There are additional commercial benefits for the installing supplier if a solution is available to provide continued Smart services after a change of supplier event.

Were suppliers to be allowed to propose a third party service provider to provide Smart services on meters they installed at the time of a change of supplier event this would provide further benefits. It would provide a cleaner break from the costs associated with a meter point no longer supplied by the installing supplier (it would seem punitive to leave an obligation on a supplier for up to eight or nine years to provide services to a meter that may have gone through multiple changes of supplier) which would further reduce or remove a potential disincentive for early move installations. The use of a third party agent would also encourage greater innovation and allow changes to process to be adopted by incoming suppliers.

Question 14: *Do you have any comments on the requirement for terms to be reasonable and non-discriminatory and factors we would propose to take into account?*

We believe that the industry should be doing everything possible and practical to ensure that Smart meters are operated in Smart mode therefore ensuring that consumer benefits are realised where possible and public confidence in the programme is maintained or established. Regardless of approved meter specifications, if a meter is operating as Smart we do not understand why associated charges should not reflect the costs of a Smart meter if the meter is operating in Smart mode.

Through the use of third party agents operating in a competitive market, the cost of operating Smart meters will be minimised. Similarly, economies of scale can be created further with cost benefits ultimately passed to consumers.

Question 15: *Do you agree with the proposed obligation that terms should be transparent?*

Charges should be transparent and clearly explained when a meter is inherited. As we confirmed in our response to the ROMA consultation, we believe that the commercial metering market should be permitted to utilise different charging models as long as total cost of ownership is clear regardless of the pricing structure.

Question 16: *Do you agree with our proposed approach around an obligation to offer terms for use of communications services as part of the Spring Package, and the timeframe for any such obligation?*

We believe that consultation with suppliers should be undertaken to determine any real consumer benefit in introducing an obligation of this nature.

In conjunction with Q13, essentially the Smart meter (as a more expensive asset) is essentially dumb if the meter is not accessible. Therefore access to the communications service is more relevant than the meter per se. As per our response to Q13, an obligation



may not be necessary and it should be permitted for access to be provided by an independent third party with transfer facilitated by the outgoing supplier.

Question 17: *Do you have any comments on our proposed approach for dealing with prepayment?*

G4S appreciate the need for prepayment services to be offered if the cost benefit of the Smart Programme is to be realised. We therefore believe that, as/when the metering processes are developed, prepayment services (through the management of messages to and from the meter) should be offered to incoming suppliers. Services could be provided by a third party service provider.

Note - This is completely independent of the suppliers' ability to manage Smart prepayment services which is a prerequisite to the delivery of Smart prepayment services.

Summary

Placing obligations on suppliers needs to be carefully considered with consideration of the true customer benefits and alternative ways to deliver continued Smart services on change of supplier that may be more consistent with existing legacy metering arrangements. There will be independent service providers able to provide Smart services and the use of a competitive market may lead to greater innovation and lower costs for consumers.