

Subject: RE: Comments on letter - Smart Metering Consumer Protections Package - Statutory Consultation, 30 Jun 2011

From: Pollock, Martin (SMS) [mailto:Martin.Pollock@siemens.com]
Sent: 13 July 2011 15:37
To: Jonathan Blagrove
Subject: Comments on letter - Smart Metering Consumer Protections Package - Statutory Consultation, 30 Jun 2011

Jonathan,

In the spirit of the call in your letter for comments we would ask that you consider the following:

Although we do not have any substantive issues with the proposed supplier licence changes, we do have some comments which we believe would contribute to improved understanding.

On page 2/21 **Load Limiting Functionality** is equated in the footnote with “trickle disconnection where customers are limited to a minimal flow of electricity”. In other words the supply is *power* limited. However the definition of Load Limiting given on page 10/21 is quite different. It states that the “number of kilowatt hours” is limited. This is an *energy* limit and suggests that in a given time period the supply will be cut off when the energy limit is reached. While both of these measures are technically possible (and indeed the latter is already available as a local consumer-selected “budgeting” option for PAYG gas consumers) they are completely different in the means of implementation and on their effect on the consumer. They should not be confused with each other in formal regulatory documentation.

On page 10/21 **Prepayment Meter** is defined as any meter operating in a mode which requires a domestic customer to pay ... in advance. This is a poor, misleading and out-dated definition. For example, any consumer who pays a deposit (as contemplated in section 27.3) in advance of receiving supply is effectively paying in advance even although he uses an “ordinary” meter. Similarly any PAYG consumer who operates on a credit limit (already available in existing systems and correctly defined on p10/21) is effectively paying in arrears even although he uses a “prepayment meter”. The term “prepayment meter” is rendered obsolete by smart metering and should be replaced with “PAYG meter”. The defining characteristics of a PAYG meter, or a smart meter operating in PAYG mode are:

- Service will be interrupted automatically if the consumer does not adhere to the rules for keeping the supply ON (bearing in mind that there may be many user-friendly features to run on empty for a while).
- The consumer can restore the supply at his sole discretion.

It has nothing to do with whether or not he uses energy before or after he pays for it. That is entirely a function of the supplier’s credit risk management policy.

Martin

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