

Tabish Khan  
Smarter Markets  
Ofgem  
9 Millbank  
London  
SW1P 3GE

14 October 2011

Dear Tabish,

**Commercial Interoperability: proposals in respect of managing domestic customer switching where meters with advanced functionality are installed**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. We provide 50% of the UK's low carbon generation. Our interests include nuclear, coal and gas-fired electricity generation, renewables, combined heat and power plants, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including both residential and business users.

EDF Energy supports the Coalition Government's renewed commitment to delivering Britain's low carbon future. We are fully committed to supporting DECC/Ofgem in planning and delivering a successful GB Smart Metering Programme. In response to DECC's July 2010 Prospectus and Ofgem's February 2011 Spring Package, we set out four fundamental principles which we believe are critical in underpinning success:

1. Placing a strong emphasis on health and safety.
2. Minimising the cost to the consumer.
3. Reducing risk through robust governance, effective planning and thorough testing.
4. Delivering an optimal and enduring solution for the consumer and industry participants.

We believe that these principles are also central to answering the questions raised in the Commercial Interoperability consultation and in this response we make a number of recommendations that help further build them into the smart metering programme.

Our detailed response is set out in the attachment to this letter, both of which may be published on Ofgem's website. The key points we are making are summarised below for ease of reference.

**Inform customer of potential loss of services**

We strongly believe the proposed obligation should be placed on the installing supplier prior to the installation of the Advanced Domestic Meter (ADM). This will alert the customers to the fact that the ADMs being installed may need to be replaced for a compliant smart meter in the future, and that any new supplier may not be able to support the services provided until full operation of the DCC service commences.

## **Early Movers**

Obligations on 'early movers' who undertake installations prior to the commencement of mass rollout ("DCC go-live") could put the programme at risk of a 'false start'. A 'False Start' is triggered when a supplier installs large volume of meters ahead of DCC, which forces other suppliers to follow due to the risk of potentially losing valuable customers. This in turn introduces multiple risks to customer experience, interoperability, technology failure etc. As a result new suppliers, should they choose to operate ADMs in dumb mode (e.g. uneconomical, unable to utilise the installing supplier's infrastructure etc) should only be required to pay dumb meter rental until the DCC adopts the ADM as a compliant smart metering system and provides smart metering services, or a new compliant smart meter is installed post DCC go-live.

## **Offered Services**

EDF Energy believes that a core set of offered services should be included in any potential obligation, based on Ofgem's definition of an ADM. This will provide a common understanding of what these baseline adopted services will be.

## **Prepayment**

EDF Energy believes prepayment meters should not form part of the Foundation Stage until a full cost benefit analysis has been completed. Introducing ADM prepayment without a centralised service to manage payments and other transactions would be too complex.

## **Roll-out**

We do not believe Suppliers should be obligated to install smart meters for new and replacement, ahead of DCC go-live. This would increase the risk of second visits to rectify any incompatibility problems with DCC, raise customer dissatisfaction leading to reduced access rates, cost escalation, and poor public perception of the programme. Until the Programme has completed thorough end-to-end testing including component, sub-system, network, integration, security, performance etc., the technical specifications will be subject to change, putting any deployed Smart Metering Equipment (SME) at risk of stranding by replacement.

## **Thresholds**

EDF Energy believes that if Ofgem introduces any proposed volume thresholds within this obligation, it should not be greater than new/replacement volumes for any supplier (i.e. the volume trigger needs to take account of the underlying level of new/replacement meters for that supplier in order to be fair). These ADMs should be accredited compliant smart metering systems, which meet the DCC adoption criteria and have been subject to end-to-end testing. If there are any changes to the DCC go-live date, the impact on any proposed threshold volumes will need to be considered.

## **Commercial Risk**

EDF Energy believes that early movers who undertake installations prior to the commencement of mass rollout, do so at their own commercial risk and should bear the costs and risks of any Smart Metering System (SMS) components being non-compliant or

not adopted by the DCC. These costs should not be passed to the customer or other suppliers if the customer subsequently churns.

**Resource**

EDF Energy believes that the mass roll out of smart meters will place significant resourcing pressure on energy suppliers and their smart metering partners. Consequently, we recommend that the industry should focus on delivering a robust enduring solution for GB and not be distracted to develop throwaway interim solutions.

Should you wish to discuss any of the issues raised in our response or have any queries please contact my colleague Ashley Pocock on 07875 112854, or myself.

Yours sincerely,

A handwritten signature in blue ink, reading "Paul Delamare".

**Paul Delamare**  
**Head of Regulation**

## Attachment

### **Commercial Interoperability: proposals in respect of managing domestic customer switching where meters with advanced functionality are installed**

#### **EDF Energy's response to your questions**

##### **Background and Introduction**

EDF Energy would like to reiterate the comments we made in our Spring Package Consultation response dated 13 April 2011, where we stated our concerns in some areas where achievement of our four fundamental principles (outlined in our covering letter) was at risk. These concerns were:

- Industry changes that encourage high volumes of advanced/smart meters to be rolled out during the Foundation Stage will result in a 'false start'. A 'false start' is where industry rolls out significant numbers of advanced/smart meters ahead of DCC go-live and the national consumer awareness campaign; such that consumers believe the rollout has actually begun. There is risk that consumers' experience during this phase will not be representative of the end product, potentially causing reputational damage to the national programme.
- A 'false start' risks placing undue costs on the consumer, damaging consumer perception of the SMIP prior to the national awareness campaign, and undermining the testing and trialling phases of the Foundation Stage. We believe that any volumes beyond those that are needed for testing and trials should not be supported prior to DCC go-live.
- Advanced/smart meters and associated equipment (IHD, Comms etc) represent emerging technology which is under continual development. The Foundation Stage is an ideal opportunity to field test this equipment where it is likely that problems will occur which will help address issues in the longer term. It is important that these issues are discovered, prior to large volumes being rolled out, in order to minimise the impact and cost to the consumer and the reputation of the national programme.
- DECC/Ofgem must ensure that meter volumes deployed during the foundation stage is restricted to testing and trialling only. This will guarantee the prevalence of a particular communications technology does not prejudice the outcome of the DCC communications choice, which could result in a suboptimal outcome for GB.
- Excessive encouragement for suppliers to deploy advanced/smart meters, along with requirements to provide services to other suppliers, will distract all parties from developing a robust enduring solution and will increase the risk of a successful start to the mass roll out programme.

Our view concerning the rollout of smart meters is that the current timetable is already challenging, that a 'false start' could only heighten the difficulties and would risk undermining our principles. We consider that a successful rollout is more likely under the following conditions:

- Any volumes deployed, beyond those that are needed for testing and trialling should not be supported prior to DCC go-live.
- Sufficient lead time is allowed to enable energy suppliers to develop and test appropriate risk management systems/processes to assure the health, safety and welfare of their consumers, staff and sub contractors.
- In order to ensure successful adoption by the DCC, all smart metering systems should be both technically compliant and subject to accreditation prior to deployment.
- A controlled market start-up is implemented including a formal pilot period, as opposed to an uncontrolled 'free-for-all'.
- Time is allowed for a mature supply chain to develop for the equipment required to underpin smart metering.
- That interim arrangements by stealth are not implemented, so as not to add uncertainty to the delivery or funding of smart metering assets.
- For a change of supplier to operate effectively pre DCC, DECC/Ofgem must consider allowing suppliers to transfer the responsibility of their smart meters to appointed agents, which may include MAPs, MAMs, DR and communication providers.
- There should be an agreed SLA whereby Network Operators address network issues, discovered when suppliers try to install the smart meter.

The Government and Ofgem appear to be trying to build incentives for 'early movers' and EDF Energy does not consider that all of these incentives will work in the interests of consumers, in terms of costs passed onto consumers and the early customer experience of smart meters. Furthermore, a risk remains that there is a disproportionate response to these incentives, resulting in a 'false start' ahead of the planned mass rollout. A highly competitive, disjointed and disparate roll-out by suppliers during the 'Foundation' stage could undermine the whole programme.

## Responses to Questions

### *Customer Information*

#### Question 1

#### **Do you agree that suppliers should be required to inform the customer of any potential loss of service before a switch takes place?**

EDF Energy agrees that customers should be well informed when engaging with the market. EDF Energy believes that if any such obligation is to be placed on suppliers in this respect, it should be placed on the installing supplier prior to the installation of the ADM. It is important that customers are aware that new suppliers may not be able to support any advanced functionality that is being installed, or if the ADM is later found to be non-compliant with the approved technical specification, that it will require a compliant smart metering system to be installed at some point in the future.

To protect consumers against the possibility of an unexpected loss of advanced functionality and / or a requirement for a subsequent meter replacement, EDF Energy considers that the installing supplier should be obliged to advise the customer that:

- The meter they are installing may need to be changed in the future in order for it to comply with the forthcoming Smart Metering Equipment Technical Specification (SMETS), if installed ahead of its approval.
- Should the customer change supplier at some later point, then that new supplier may not be in a position to support the functionality of that meter and the meter may need to revert to 'dumb' mode.

As any supplier who rolls out ADMs ahead of the mandated mass deployment does so at their own commercial risk, consumers need to be made aware when a supplier is taking a commercial risk that may have a material impact upon them. As a result EDF Energy believes this obligation should only apply to any new ADMs installed after the obligation commencement date, at some point in the future, which is yet to be determined.

We recognise that certain events e.g. change of tenancy, would result in the new customer not being aware of this condition. However, this could be overcome by the inclusion of relevant information within the terms of condition of supply, or new customer's starter packs etc., or form part of the interim SMICOP.

Placing this obligation on the new supplier could lead to a potential restriction to customer choice.

EDF Energy believes that despite the new supplier's best efforts to extract the relevant information from the customer about their current advanced meter functionality, experience shows this is not the most effective way to obtain information. EDF Energy is concerned that when the customer switches there remains a risk that significant numbers of customers will complain about losing services, which the new supplier cannot support, even though this was explained to them at the time. This could lead to an increase in Erroneous Transfers, or potential meter exchanges should the customer wish to stay with the new supplier but insists on retaining these services. This will ultimately lead to greater costs in smart metering deployment, especially if this occurs ahead of the SMETS being approved resulting in yet another subsequent meter exchange post mandated go-live. The impacts on the customer experience and the enduring programme in these circumstances should not be underestimated.

On 7 September 2011 EDF Energy announced that it will be suspending all forms of unsolicited door to door selling of residential energy, while we undertake a review of this process. Customers are increasingly looking for and using other ways to compare and choose their energy supplier. Like all suppliers, EDF Energy has seen particular growth in acquisitions via third party partners including price comparison sites like uSwitch and MoneySupermarket.com. Suppliers have very little direct interaction with the customers prior to the application being received so it is difficult to understand how this obligation could be enforced or structured. Adding complexity to the online or face to face switching process for customers (by asking detailed questions about metering in situ) may cause customer confusion and discourage them from making switching decisions, which may be to their detriment and to retail competition in general.

## Question 2

### **Do you agree that the old supplier should be required to disable any misleading information prior to the switch taking place?**

EDF Energy agrees with the proposal requiring suppliers to disable any misleading information prior to the switch taking place. Customers must be able to trust the information that is being provided through the Electronic Consumption Data Display (ECDD) or IHD. Even if the new supplier takes on the ADM in dumb mode, the interaction of information at the customer's premise, between the ADM and any installed ECDD, will continue in isolation. Hence if the old supplier's tariff pricing information is not disabled or set to zero on the ADM or ECDD, dependent on where the calculations are carried out, then the ECDD will continue to display price signals and price comparisons of consumption based on the old supplier prices. Not only will this confuse the customer it could lead to an increase in caller traffic to the new supplier with customer queries. However, the customer would still be able to see accurate consumption details and comparisons as these are driven from the metrological side of the meter. However, the consequence of this action will mean that additional transactional costs will be incurred by the old supplier in wiping clear this data.

Although we believe it is possible for the old supplier to disable or set pricing information to zero, EDF Energy would suggest that meter manufacturers are contacted to confirm there is nothing in their software that could resurrect price data. For example, if the software has within it a 'watchdog' that reverted settings to the last remembered set of data, in the event of a power failure etc.

## Question 3

### **Do you agree that the old supplier should be prohibited from removing historic consumption data from the meter?**

EDF Energy agrees that the old supplier should be prohibited from removing historic consumption data from the meter. The question of data ownership should drive these decisions and to date Government and Ofgem have been consistent in their views that the consumption data is owned by the customer.

However, the question of data visibility between different tenants at a property still remains, in that the new tenant/occupier should be prevented from seeing the consumption details of the previous tenant/occupier of the premises.

## Question 4

### **Do you agree that suppliers should not be allowed to charge customers for the replacement of a prepayment ADM in these circumstances?**

EDF Energy agrees that suppliers should not be allowed to charge customers for the replacement of a prepayment ADM in the circumstances described within this section of the consultation letter.

## ***Supplier Support for Interoperability***

### **Question 5**

**Do you agree that the old supplier must make available to the new supplier all the information they would need to help maintain the provision of services based on ADM functionality?**

In order for the new supplier to make an informed decision on whether they will be in a position to support some or all of the services the customer currently receives, EDF Energy believes the only credible source of this data will be the old supplier or its agents. As a result, the timing and mechanism of when and how this data will be passed to the new supplier is critical.

Under existing industry rules, particularly in electricity, the passing of meter technical details is too late in the process for it to be useful in making a decision on whether the new supplier can support the ADM services already provided. It is EDF Energy's expectation that the new supplier will need this information pre-registration in order to advise the customer accordingly.

Therefore, a common mechanism will need to be developed, built and tested for this exchange of data to occur. Should this result in a new industry Data Flow, experience from the Large Business Mandate in introducing a brand new data flow informs us that this is not a simple or quick task. Indeed the new data flow for transferring communication details for the Large Business Mandate is only going live in November 2011, yet the Large Business Mandate has been effective since April 2009 and the process to create this new data flow commenced in 2008. A manual process has been in place during this interim period, but clearly the volumes involved in the PC 5-8 sector are significantly lower than the projected volumes Ofgem are assuming in this consultation. Hence a manual process for PC 1-4, or gas equivalent, would not be appropriate.

In conclusion, although we agree the old supplier or its agents are the only credible source for this data, due consideration should be given to how this proposed obligation would be implemented. It could potentially lead to a lengthy delay to its introduction and at a significant cost – for something which will not be required for the enduring market post DCC go-live. Hence, further analysis of the costs and benefits of these new arrangements should be undertaken prior to a decision being made, and for these reasons we do not believe this is practical.

### **Question 6**

**What kind of information would the new supplier need access to in order to ascertain whether they can maintain advanced services?**

EDF Energy is concerned about the level of services this obligation would cover. It would be useful for a core set of services to be defined, that a typical ADM could support. EDF Energy believes this should be aligned to the ADM definition within the consultation, as follows:

- provides measured gas or electricity consumption data for multiple time periods
- is able to provide the relevant supplier with remote access to such data



- is installed in domestic premises, and
- may be capable of being operated as a prepayment meter

It is likely that suppliers will want to trial certain propositions with advanced functionality that only they can support and would not want to be obliged to share these innovative and potentially commercially sensitive offerings with other suppliers.

Further, unless a core service list is developed, it would be impossible to comply with the proposal set out in question 1 – requiring the incoming supplier to advise on services that may be lost.

As examples of information that may be required, we suggest the following:

- Details of any existing arrangements offered by the installing supplier or their agents/managed service providers to the new supplier for the existing meter.
- Identifying the installing supplier, where it is different from the old supplier. However, in the case of an ADM in Prepayment mode the installing supplier may not have instigated the ADM in Prepayment mode i.e. installing supplier sets up the ADM in credit mode and subsequently loses it to another supplier. That supplier, during in tenure, converts the ADM to Prepayment using either the installing supplier/agents service or a service provided by themselves. Therefore, if the customer moves to a third supplier, who is obliged to pass on these details? The installing supplier only installed the ADM in credit mode and therefore has no way of knowing what arrangements the second supplier has put in place. However, under the wording of this obligation the installing supplier will be obliged to pass on these details, to which he does not have access, to the new supplier. Please note this scenario would need a policy and operational solution to be developed, for it to be introduced. As per question 5, we do not believe, in this scenario, that this is practical.
- Topology – how the network is set up, how the IHD communicates to the meter etc.
- Details of all smart related devices e.g. Gas and Electricity ADM, WAN Communications, HAN communications, identity of other devices (ECDD/IHDs) etc. including their machine IDs and their manufacturers.
- Configuration of the ADMs (gas or electricity).
- Application Data Layer and version numbers.
- Security Trusted numbers to authenticate the new supplier with communications provider.
- Prepayment broker, if in Prepayment mode.
- Whether Ofgem schedule 4 certification compliant or MID approved.

## Question 7

**Do you agree that a large supplier should make available on request all services that a new supplier would reasonably require to maintain some or all of the services relating to ADM functionality?**

EDF Energy believes that large suppliers should make reasonable endeavours to provide ADM services ahead of DCC go-live. However, we do not agree that large suppliers should be obliged to make available on request all services that a new supplier requires to

maintain some or all of the services relating to ADM functionality, for the reasons given earlier within our response.

As a result the new supplier, should they only choose to operate the ADM in dumb mode ahead of DCC go-live for whatever reason e.g. uneconomical, unable to utilise the installing supplier's infrastructure etc, should only expect to pay a dumb rental for the ADM. The installing supplier should bear the commercial risk, whether these ADMs are non-compliant smart meters, or ADMs deemed to be compliant at some point in the future.

In EDF Energy's previous Spring Package consultation response (dated 13 April 2011) we agreed with the view set out in paragraph 4.29 of that consultation, that it is unlikely on change of supplier (CoS) for the new supplier to be able to use a smart meter (ADM) in smart mode prior to the approval of the SMETS, due to the costs involved in building their own back office systems to interface with the new data flows.

Even when the SMETS is approved, and if Ofgem's expectation is that a developing market for interoperability and communications for the most common meter types is met, full end to end communication will still depend on how each supplier and/or its managed service provider develops its own systems/infrastructure for any trials they might wish to undertake. For example, if suppliers utilise (buy in) third party bundled managed services for ADMs, instead of developing their own throw away interim capability, it will depend on how each of these third party providers build those systems. Hence even if there is a developing market for interoperability and communications services for the most common meters, each third party could have a different system set up using different File Transfer Protocols (FTPs) requiring all suppliers to build differing interfaces to all such third party providers. The only way to overcome this would be to define a common set of interfaces between suppliers and all potential suppliers/third party agents, prior to the communication from the head ends to the ADMs/metering system from those parties. Indeed within DECC's Business Process Design Group (BPDG) they have recommended that the foundation interfaces between the supplier and installing suppliers/or its agents MDMS should be based on the enduring interfaces between DCC users and DCC.

EDF Energy also has concerns around the various implementation approaches that could be taken by the obliged large suppliers. We believe that three potential approaches could be taken, which each has its own implications, as follows:

1. Large supplier builds capability in-house for data and communications (head ends etc) and does not use any agents or third party managed service.
  - a. New supplier required to communicate to the meter through the installing supplier and their systems for all communications e.g. tariff updates including price, other sensitive data etc.
  - b. This could lead to potential data protection issues, dependent on how the supplier has set up their systems e.g. has the system been built with sufficient partitioning of other parties data to prevent the installing supplier's staff from interrogating new suppliers data and messages etc.
2. Large supplier contracts with a third party for provision of communications (head ends etc) but retains data management in-house.
  - a. Same as 1 above due to routing of data and messages through installing supplier.

3. Large supplier contracts with external third party for a managed data and communication service.
  - a. This option allows the new supplier to enter into commercial arrangements with the external third party, without the installing supplier having access to future data and messages.

We are also concerned with the period of time this potential obligation will last for. Should a supplier set up an arrangement with a third party provider to operate these services for them, it is our assumption that the current proposed obligation may still require support until the last ADM is converted to a compliant smart metering system and migrated to the DCC. This proposed obligation has the potential to be in place until 2019/2020, dependent on each supplier's rollout strategy. Indeed should the customer, at the point of the new supplier visiting to install a compliant smart metering system, refuse access as they are happy with the current arrangements they have, this obligation may require the installing supplier to provide support for an indeterminate period. The resultant costs of supporting diminishing volumes are likely to be disproportionate to the benefits gained. Therefore, EDF Energy believes it is not cost effective to develop 'throw away' interim systems to offer services to other suppliers, which they may have to support for an indefinite period for a diminishing number of customers. Therefore, if this obligation is imposed then consideration should be given to a sunset period being defined as to when these services would cease.

## Question 8

**Do you consider that the proposed volume thresholds are appropriate? If not, please suggest what would be more appropriate thresholds.**

EDF Energy believes that if Ofgem introduces any proposed volume thresholds within this obligation, that it should not be greater than new/replacement volumes for any supplier. These ADMs should be accredited compliant smart metering systems, which meet the DCC adoption criteria and have been subject to end-to-end testing. This will have a considerable benefit for the GB smart metering programme, as a subsequent site visit post DCC go-live should not be required.

However, we do not believe suppliers should be obligated to install smart meters for new and replacement, ahead of DCC go-live. However, should suppliers take the commercial decision to roll out large volumes of ADMs for other reasons, then these suppliers should be obliged to make available on request all services that a new supplier would reasonably require to maintain those services.

If there are any changes to the DCC go-live date, the impact on any proposed threshold volumes will need to be considered.

## Question 9

**What costs do you consider suppliers will need to incur to ensure compliance with the proposed licence conditions?**

At this point in time EDF Energy is unable to provide any indication as to the costs we are likely to incur as a result of this obligation. We are currently in discussion with our service providers, ahead of DCC go-live, to determine what the implications and costs will be to

comply with these proposed obligations. We will of course provide this information once we have completed our analysis into the changes required.

However, the level of complexity and costs likely to be involved in order for an incoming supplier to use a smart meter installed by another supplier in smart mode was revealed through the work undertaken by Ofgem through their DCG Sub Group 2 on 'Interim Interoperability' at the end of last year. Option 5 (Supplier/Supplier's Agents Provide Services) which is the closest to the current proposals was found by EDF Energy to be the most expensive option to implement. The costs of setting up this arrangement are also likely to be stranded, at a future point in time, after DCC go-live.

### Question 10

#### **Do you consider that additional incentives are necessary for suppliers to avoid ADM meter exchanges on a change of supplier where possible?**

EDF Energy supports the potential further obligation of imposing additional incentives (to cover installation costs – proposed £60) above the agreed threshold on suppliers who install advanced meters in prepayment/PAYG mode, ahead of DCC go-live, that are not usable by new suppliers.

EDF Energy would like to reiterate our comments made in the Spring Package consultation response to Ofgem dated 13 April 2011.

In last year's assessment of potential interim arrangements, it was recognised that prepayment/PAYG required a centralised service to facilitate the transfer of credit top ups to the meter, and that there was no other solution to this in a distributed solution to head ends. As a result, the previous analysis did not include prepayment/PAYG functionality.

Within the Ofgem DCG SG2 Interim Interoperability Sub Group, it has always been recognised that providing prepayment ahead of DCC is very complex and raises many difficult issues that need resolution (e.g. how does a customer top up their credit and ensure that wherever they top up, that the functionality will exist to transfer the credit to their advanced/smart meter?). EDF Energy believes that further work is required in this area to define a solution that overcomes these issues and hence would propose that this is introduced at a later stage in the programme.

Should this proposal be taken forward then we would ask Ofgem to consider the following scenario that could occur and how this situation could be dealt with.

- The installing supplier fits an ADM in credit mode for the customer and then subsequently loses the supply contract. The new supplier during his tenure has reason to convert the customer to prepayment mode, using either his own infrastructure or the infrastructure of the installing supplier's agent.
- Should the customer then transfer to a third supplier and that supplier is unable to utilise the second suppliers prepayment infrastructure and is forced to install their own Prepayment ADM or dumb Prepayment meter, then who do they charge the £60 to? The Installing supplier, as proposed, did not install the ADM in Prepayment mode and would potentially be oblivious of any commercial relationship the second supplier had with their own prepayment infrastructure providers or the installing supplier's agents.

Should this proposal be considered further, EDF Energy believes the supplier that instigated Prepayment mode should be liable, which may or may not be the installing

supplier. Therefore, consideration needs to be given as to how this information could be captured and how this obligation will be structured?

#### **Question 11**

**Do you consider that the measure outlined here places appropriate incentives on the installing supplier in respect of the costs of a meter exchange?**

EDF Energy supports the measures outlined to avoid meter exchanges for prepayment customers on a Change of Supplier, ahead of the commencement of a centralised body that would deliver these services.

#### **Question 12**

**Do you consider that £60 represents an appropriate proxy for the cost of a meter exchange in these circumstances? If not, what would you consider to be a more appropriate amount?**

EDF Energy believes the proposed incentive of £60 is an appropriate proxy for the cost of a meter exchange in these circumstances, but consideration should be given to the time this obligation will be in place and the effect that rising labour costs will have during that period.

#### **Question 13**

**How long a lead time do you consider is appropriate enabling suppliers to be compliant with the proposed licence condition?**

As per question 9, EDF Energy is currently working with its service providers, ahead of DCC go-live, to ascertain what changes need to be developed, built and tested to comply with the proposed obligation. At this point in time we are unable to provide any guidance as to the lead time required, but we are happy to provide this information once we have completed our analysis into the changes required. However, as well as the time required for suppliers to be ready to comply, the lead time for delivery also depends on the following, which is not intended to be exhaustive:

- The level of industry process change required.
- The level of new data items e.g. potential new role code within the industry of 'Installing Supplier' and potential new data flows e.g. ADM service information etc.
- The level of consequential industry code and governance change.

**EDF Energy  
October 2011**