

October 14th, 2011

Mr. Tabish Khan  
Smarter Markets  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Dear Tabish,

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

Please find First Utility's responses below.

*Q1. Do you agree that suppliers should be required to inform the customer of any potential loss of services before a switch takes place?*

This would seem appropriate in the case that the incoming supplier was unable to provide functionality that had previously been provided by the outgoing supplier. We would also suggest that this information be made available prior to the end of the cooling off period so that the customer could then potentially reconsider their decision to switch in light of this information.

*Q2. Do you agree that the old supplier should be required to disable any misleading information prior to the switch taking place?*

We agree with this as the continued provision of such information following the switch has the potential to cause unnecessary confusion to the consumer.

*Q3. Do you agree that the old supplier should be prohibited from removing historic consumption data from the meter?*

We agree that the outgoing supplier should be prohibited from removing historic consumption data from the meter as the consumer may potentially lose the benefit of comparison in this case.

*Q4. Do you agree that suppliers should not be allowed to charge customers for the replacement of a prepayment ADM in these circumstances?*

We agree that the incoming supplier should not be able to charge customers for the cost of providing a new prepayment ADM due to the fact that a meter exchange will be required for the customer to continue to receive the necessary functionality.

*Q5. 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?*

Our smart meters are provided and owned by Onstream. Therefore, there should be nothing to prevent the incoming supplier making use of these. As we do not own these meters, it may be that incoming supplier will find it more necessary to talk to Onstream than to us regarding these matters.

However, we are happy to provide any information that we are able to in order to assist the incoming supplier. In the case of larger suppliers where they are likely to own the metering technology themselves, we agree that the outgoing supplier should be required to do the same.

*Q6. What kind of information would the new supplier need access to in order to ascertain whether they can maintain advanced services?*

The main information would be: i) details of who owns the meter; ii) details of service providers that could be utilised by the incoming supplier to interface with the meter; iii) details of any arrangements that the outgoing supplier is willing to make with the incoming supplier to assist in this respect.

*Q7. 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?*

This seems reasonable, and contracts for this could be arranged on a commercial basis.

*Q8. Do you consider that the proposed volume thresholds are appropriate? If not, please suggest what would be more appropriate thresholds.*

We are mindful of the fact that even a supplier with 250,000 dual fuel customers may be unlikely to own its own smart meters. Therefore, it may be that the requirement should be modified in this case as the supplier may be unable to offer these services due to the metering technology being owned by a third party. At the same time, we are aware that Ofgem would not want a situation whereby significant numbers of customers could not be assured of continuing to enjoy smart functionality due to this issue. We hope that Ofgem will consult further on alternative arrangements in this situation.

*Q9. What costs do you consider suppliers will need to incur to ensure compliance with the proposed licence conditions?*

We would not have thought that costs would be greatly increased by these proposals as suppliers who own meters would simply be providing other suppliers with access to functionality that they already make use of themselves. However, not being in this position ourselves, this cost is difficult for us to quantify.

*Q10. Do you consider that additional incentives are necessary for suppliers to avoid ADM meter exchanges on a change of supplier where possible?*

We agree that a fixed nominal charge per meter to the outgoing supplier where a meter exchange is required on change of supplier is appropriate. However, we would refer Ofgem to our answer to question 8 and request further consideration of the situation where the meter is owned by a third party such as Onstream.

*Q11. Do you consider that the measure outlined here places appropriate incentives on the installing supplier in respect of the costs of a meter exchange?*

This seems appropriate.

*Q12. Do you consider that £60 represents an appropriate proxy for the cost of a meter replacement in these circumstances? If not, what would you consider to be a more appropriate amount?*

We consider £60 to be an appropriate amount.

*Q13. How long a lead time do you consider is appropriate for enabling suppliers to be compliant with the proposed licence conditions?*

It may take some time for suppliers to make the necessary arrangements. However, we would not wish to see an unnecessary delay which might provide a disincentive to early rollout of domestic smart meters and compliant meters are now starting to become available. We therefore feel that a three month lead time should be sufficient.

Please do not hesitate to contact me if you have any questions or would like any further information.

Best regards,

Chris

Chris Hill

Regulation Manager

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