



Smart Metering Implementation Programme

Commercial Interoperability of ADMs

Haven Power Response to Ofgem Consultation dated 18 August 2011

General Comment from Haven Power

Haven Power understands the logic in conducting trials in preparation for the roll out phase. We accept that the meters installed during this phase have differing specifications and capabilities and deploy a variety of arrangements for both in-home communications, and to and from the supplier. By definition these metering systems and communications do not comply with the SMETS. We do not see the justification for large numbers of such installations in order to inform the mass roll out planning. We also see considerable risks to competition: customers with ADM solutions shall fear, justly or otherwise, that services will not be maintained on change of supplier. We urge Ofgem to assess the plans of suppliers for ADM installations and apply a practical limit to the numbers involved, and to ensure suppliers conducting the trials are clear that they are responsible (and carry the financial liability) for ensuring customers can continue to participate freely in the market.

Question 1: Do you agree that suppliers should be required to inform the customer of any potential loss of services before a switch takes place?

No. The new supplier cannot be reasonably expected to understand on the one hand all aspects of the services delivered by the supplier who installed the ADM or the vagaries of the capability of the metering, display equipment and the communications arrangements.

The installing supplier should be mandated to inform the customer of potential loss of services on change of supplier prior to installation; in addition, the installing supplier or incoming supplier who successfully continues to operate the metering system in smart mode, should be mandated to inform the customer in the same way at the take-up of advanced services (read: dependent on the smart metering system). These obligations should be applied retrospectively.

Question 2: Do you agree that the old supplier should be required to disable any misleading information prior to the switch taking place?

Yes, but controls are required to ensure the old supplier does not use the pretext of this regulation to retain customer unfairly by raising the threat of withdrawal of valuable services. This procedure should also be included in the explanation to the customer as per Question 1.

Question 3: Do you agree that the old supplier should be prohibited from removing historic consumption data from the meter?

Yes, and this extends to all suppliers who take over the meter. Also, the old supplier should provide assistance to the new supplier to ensure this data can be successfully accessed and protected.

Question 4: Do you agree that suppliers should not be allowed to charge customers for the replacement of a prepayment ADM in these circumstances?

Yes, we agree that suppliers should not be allowed to charge customers in this circumstance. The liability and cost of replacing the ADM with a conventional prepayment meter must be met by the supplier who initially installed the ADM. That supplier has benefited from conducting the trial, was aware at the outset that this was at entirely its own risk, and must be held accountable that the metering solution is not fit for purpose in the event of a change of supplier.

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?

Yes, we believe the full picture is as follows:

- the installing supplier must provide information on the metering system
- the current supplier must provide information on the customer's services
- where the customer has added smart enabled devices and/or has an additional or replacement in-home display unit, the current supplier must also provide this information

Question 6: What kind of information would the new supplier need access to in order to ascertain whether they can maintain advanced services?

We believe the new supplier requires the following:

- installed equipment: (1) details of the capability of the metering system, such as number of registers, configurability of Time of Use (ToU) parameters, remaining battery life of gas meter, expected life of both meters; (2) in-home display unit's capability (3); whether and if so what other smart devices are installed
- installing supplier's services offered and capability as regards these services: for example, lead times for alarms, lead times for change of tariff, ability to support prepayment
- the customer's services including details of tariff structure and the 'smart experience', for example, in-home display unit involvement, any physical interaction required with any part of the metering system

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?

Yes, the supplier who installed the ADM originally must offer meter reading and other data communications services to all subsequent suppliers. The costs should be non-discriminatory and

based on the current costs for dumb metering services. Such costs should be transparent and disclosed to Ofgem. Also, please refer to our response at Question 10.

Question 8: Do you consider that the proposed volume thresholds are appropriate? If not, please suggest what would be more appropriate thresholds.

Yes, we agree with all the proposed thresholds. Further, given the difficulty in supporting interoperability for prepay via a workaround and the resulting impact on competition, we believe the threshold for prepayment should be a mandated limit, controlled by Ofgem (throughout the Foundation phase and) until DCC services allow interoperability of prepayment Smart Metering.

Question 10: Do you consider that additional incentives are necessary for suppliers to avoid ADM meter exchanges on a change of supplier where possible?

We believe control here is crucial to the success of the overall programme; its success cannot be sacrificed for the success gained by an individual supplier. Key to this is ensuring minimal impact on customers and a good experience industry-wide of Smart Metering.

We believe the following mechanisms should be put in place:

- restricting the numbers of meters permitted in each supplier's ADM trials in general and in prepayment situations in particular
- allow the incoming supplier a trial period of operating the inherited ADM free of charge as an incentive to its remaining in place
- impose a maximum rental of an ADM for an incoming supplier who retains it and is able to maintain advanced services to avoid exposure to poor decision making at installing supplier

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?

Please refer to our response at Question 10 above.

Question 12: 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?

£120 is closer to the cost a supplier would actually incur in installing a PPM using an external meter operator. This would not cover the internal cost the supplier would have in organising the meter exchange.

Question 13: How long a lead time do you consider is appropriate for enabling suppliers to be compliant with the proposed licence conditions?

Given the level of information available to suppliers and their involvement in agreeing the licence conditions, we believe 6 months after the licence conditions are baselined is reasonable.