

**COMMERCIAL INTEROPERABILITY**

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

**Executive Summary**

The Government's vision for every home in Great Britain to be equipped with Smart Metering Equipment by the end of 2019 is extremely ambitious and the proposal that the end date could be moved forward further increases the pressure.

It is therefore vital that a significant volume of smart compliant meters are installed during the Foundation Stage and Lowri Beck will fully support suppliers in achieving this. However we need confidence in an agreed meter and HAN communications specifications and a framework of interoperability during this period before we are able to invest. We support the aims of this consultation in providing the latter.

In providing a competitive meter provision, installation and communication service we need the meters to remain for the full economic life; the risk of premature replacement increases costs to all suppliers. It is therefore in our interests to help the installing supplier provide the information and support necessary to the new supplier to continue services without disruption to the consumer.

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## Detailed Questions

**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 comment

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

No comment

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

No comment

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

No comment

**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 the ADM functionality?**

Lowri Beck anticipates offering meter provision, installation and data management services to suppliers in the Foundation Stage. We will support any initiative to enable interoperability between suppliers and ensure meters and communication services, once installed, are maintained. We therefore agree with the requirement to make information available and will support those suppliers that we are contracted to in providing the necessary information to new suppliers.

**Questions 6 – What kind of information would the new supplier need access to in order to ascertain whether they could maintain advanced services?**

Information about the meter;

- Manufacturer and type – to assess the functionality available
- Meter technical details
- Meter provider – to arrange suitable rental agreement

Information about the communications;

- Provider – to arrange suitable service agreement
- Type and availability – to assess support

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**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?**

Lowri Beck supports the principle behind ensuring the new supplier has access to the information and services needed to continue to provide smart services to the domestic consumer.

We would welcome clarity on the definition of 'make available'. As a third party agent working for the installing supplier, we would readily offer similar services to the new supplier under commercial terms and conditions freely negotiated; it is in our interests to ensure meters and communications are maintained. However we would not wish to see the definition of 'make available' infer the same terms and conditions.

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

If the intention is to provide certainty for suppliers and ensure consumers are not inconvenienced with either a loss of service or a meter exchange, the appropriate volume measurement should be the number of ADMs installed regardless of size of supplier.

For example under the current proposals a large supplier installing dual fuel ADMs to 30,000 customers would need to provide information and support to the new supplier, but a small supplier installing 240,000 dual fuel ADMs would not. With the assumed switch rate of 16.5% per annum just under 40,000 consumers might experience problems.

**Question 9 – What costs do you consider suppliers will need to incur to ensure compliance with the proposed licence condition?**

No comment

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

At this stage Lowri Beck consider the commercial incentives, particularly where the negotiations will be between a third party agent and the new supplier, sufficient to ensure services can continue without disruption to the consumer. It would certainly not be in our interests to remove the meters however, just as with the current Churn Agreements, the new suppliers must be reasonable in their expectations.

**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?**

As answered in question 10, we believe the commercial incentives, especially where the installing agent contracts with a 3<sup>rd</sup> party to provide the ADM services, to be sufficient to ensure interoperability in the majority of cases.

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Indeed the potential payment to cover costs of a meter exchange for prepayment customers may have the opposite effect and give the new supplier a financial reason not to negotiate terms with the current provider of ADM services.

**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?**

No comment

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

No comment