

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

1. Customer Information

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?

Yes – we agree suppliers should be required to inform the customer. We believe customers should possess all reasonable information they require in order to make an informed decision as to whether to change supplier or not. The scenario where a customer makes the decision to change supplier, unaware that the new supplier may not be able to supply the same services, could lead to additional cost for the consumer and the sector as a whole as consumers make changes they otherwise would not have made if better informed. There is also the potential of customer dissatisfaction and negative publicity for the industry as a whole, if a lack of information allowing the customer to make an informed decision is interpreted by the customer as inappropriate selling by the supplier.

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

Yes – we agree the old supplier should be required to disable any misleading information prior to a switch taking place. The presence of misleading information may lead to a call out to the energy customers' premises for an alleged faulty meter or device, when in fact there is nothing wrong with the meter or other devices involved. This could once again lead to potential increased costs for the industry as a whole, together with inconvenience and potential negative experiences for the consumer.

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

Nil response.

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

We believe that suppliers should always be encouraged and incentivised wherever possible to retain existing in place ADM's and associated devices in order to minimise costs and risks in the industry which will lead to increased costs and risks with respect to supplying and funding meters. This should not be done in a way however that prevents a supplier from offering a customer a better energy supply through either better service or lower price.

2. 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?

Yes – we believe that the old energy supplier should be encouraged and incentivised to make available to the new supplier, all reasonable support and information they require to provide services based on the in place ADM functionality. This would be part an initial step to setting up an interoperability framework where the desired outcome was to use existing assets and functionality that is in place wherever possible in order to avoid stranding risks, and hence increased costs, for the industry as a whole. This may even involve giving the new supplier access to third party service providers on the same or similar terms to allow a seamless switch from one energy supplier to another.

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

Nil response.

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 the ADM functionality?

Yes – we agree that a large supplier should make available on request all reasonable services that a new supplier would reasonably require to maintain some or all of the services relating to the ADM functionality. We would however make the point that there needs to be agreed boundaries including timeframes for this requirement depending on the chosen platform of the energy supplier for the delivery of the ADM functionality.

For example, where an energy supplier uses a third party service supplier to provide the ADM functionality for some or all of their customers, it should be a reasonably straight forward exercise for the third party service provider to provide the ADM functionality to the new supplier on the same or similar terms. On the other hand, where an energy supplier provides the ADM functionality using internal resources, it may not be reasonable to expect an energy supplier to become an outsource supplier of ADM functionality services to one of their competitors for either the full ADM service and/or in perpetuity. This may also raise transfer pricing issues and disputes as well.

We have however observed a desire and a willingness on the part of a number of large third party service providers to develop systems, processes and support services to support ADM functionality. Therefore our belief would be that as long as the interoperability framework agreed is truly an open and non-proprietary framework, the third party service providers will remove any potential future problems. Therefore the solution may be for the old supplier to provide or ensure the provision of the services relating to the ADM functionality until the interoperability framework is agreed and deliverable; then any obligation for the old supplier to provide the services to maintain the in place ADM functionality would fall away over an agreed time period.

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

Nil response.

Question 9: What costs do you consider suppliers will need to incur to ensure compliance with the proposed licence conditions?

Nil response.

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 that suppliers should always be encouraged and incentivised wherever possible to retain existing in place ADM's and associated devices in order to minimise costs and risks in the industry which will lead to increased costs with respect to supplying and funding meters. This should not be done in a way however that prevents a supplier from offering a customer a better energy supply through either better service or lower price. We would also recommend it is done through a process of consensus rather imposition. For example, it would not be desirable to put a financial penalty on the installing supplier for putting in a meter that provided ADM functionality that resulted in less meters with ADM functionality being installed during the transition period, particularly for those consumers that wanted them to manage and reduce their energy bills.

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?

Nil response.

Question 12: Do you consider that GBP60 represents an appropriate proxy for the cost of a meter replacement in these circumstances? If not, what would you consider to be the more appropriate amount?

Yes - based on our funding experience in the market, we believe that GBP60 represents an appropriate proxy for the cost of a meter replacement at this time.

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

Nil response.