

Paul Fuller
Smarter Markets
Ofgem
9 Millbank
London
SW1P 3GE

17 July 2012

Dear Paul,

**RESPONSE TO EFFECTIVE SWITCHING FOR DOMESTIC CUSTOMERS:
ADDITIONAL STATUTORY CONSULTATION AND NOTICE**

I am responding to your letter of 19 June 2012, which comprises a third statutory consultation on effective switching measures for customers with Advanced Domestic Meters (ADMs).

We welcome Ofgem's recognition of the technical constraints surrounding its proposals for the removal of historic consumption information, and agree that the relevant obligation should be withdrawn from its proposals. In line with our response to previous consultations, we believe the provisions of the Data Protection Act 1998 offer sufficient protection to consumers with existing ADMs, as well as those who will have smart meters installed in the period leading up to the DCC becoming operational.

We have undertaken further detailed analysis which suggests that our concerns about the timescales to implement the obligations set out in Condition 25B.9¹ are still valid, and that the milestone of 1 January 2013 remains extremely challenging. Given the scale of industry changes required, and the delay in Ofgem publishing a final decision on effective switching for domestic customers, we believe that further consideration of implementation timescales is now required. In our response of 3 February 2012, we proposed that a later implementation date would be more appropriate to deliver the necessary changes to support services to/from other suppliers, and we remain of this view.

We would also refer Ofgem back to the concerns we raised in our initial response dated 3 February 2012 with regard to the intended pre-contract requirements (set out in paragraph 25B.2). It remains our view that it will be important for these provisions to be interpreted proportionately. In particular, the only reasonably practicable approach to compliance (which we believe would therefore be sufficient) would be as follows:

¹ See our responses of 3 February and 1 May 2012

- (a) the sales person or process requests, in plain and intelligible language, confirmation from the customer whether an ADM is installed at the premises and if so, what type of ADM is fitted;
- (b) if the customer states what type the ADM is (including whether it is a smart meter), the sales person or process checks whether the system is supported by ScottishPower and if so advises whether ADM functionality can be provided;
- (c) if the type of ADM is unknown, or the customer does not know whether they have an ADM, the customer is advised that their ADM (if one is fitted) may need to be operated in dumb mode or with restricted functionality;
- (d) if the customer states that they have a dumb meter, no advice is needed.

We had asked for explicit provision in the condition making clear that this would be a sufficient compliance; however, it may be that Ofgem thinks that this is clear enough from the terms of the condition itself.

If you have any further questions, please do not hesitate to contact me or Iain Matthews who can be contacted at iain.matthews@scottishpower.com.

Yours sincerely,

A handwritten signature in blue ink that reads "Rupert Steele". The signature is written in a cursive style and is positioned above a horizontal line.

Rupert Steele
Director of Regulation