



Paul Fuller  
Analyst  
Smarter Markets  
9 Millbank  
London  
SW1P 3GE

SSE  
Inveralmond House  
200 Dunkeld Road  
Perth  
PH1 3AQ

3 August 2012  
Steven.Findlay @sse.com  
01738 516852

Dear Paul,

***Supporting effective switching for domestic customers with smart meters:  
additional statutory consultation and notice (Ref 79/12)***

SSE is pleased to provide comment on the above consultation. We welcome the ongoing engagement with Ofgem in relation to supporting the effective switching of customers who have an advanced meter installed within their home prior to the mandated rollout of smart metering.

***Implementation timescale***

SSE is concerned that the implantation timescale is too short given the vast impact the proposed licence conditions will have on SSE's customer service and sales operation. Recent conversations with Ofgem would suggest that a modification direction will be issued towards the end of August with a 56 calendar day window in which to secure compliance.

As the licence condition proposes to oblige suppliers to ascertain the type of meter installed at the property and to inform each customer of the potential loss of ADM functionality at the point of installation or upon change of supplier, this will have a significant impact on our consumer proposition. The proposed licence condition will affect each of SSE's sales channels including telephone, external sales, affinity partnerships, house moves, recovery and customers being offered prepayment meters.

In practice, this could effectively require SSE to undertake significant training modules for an estimated 5,000 customer service staff in order to ensure that all staff are aware and understand the implications of the new licence conditions. A training exercise on such a grand scale will take in excess of six months. Whilst SSE appreciates that customer churn at the moment will result in SSE gaining a small amount of ADMs, we are able to effectively manage this through a centralised team that explain to the customer the effect of switching to us and the impact this could have on the service they currently receive. However, through Ofgem's own analysis they estimate that up to five million ADMs<sup>1</sup> could be installed prior to suppliers switching to rollout out complaint smart metering solutions.

As a result, it would be near impossible to manage such a vast amount of meters within a dedicated team and each of SSE's sales channels must gain an understanding of the licence condition in order to fully inform the customer of the impact of switching to SSE could have on the service they currently receive.

SSE will take all reasonable steps to ensure that our sales fulfilment material reflects the obligation in terms of making the customer aware of the potential impact, however given the significant amount of ADM types and communications hubs there is not 'one fits all' message that can be conveyed to consumers. We can encourage customers to contact SSE, however the advisor that the customer then contacts must have an understanding of the meter and its current functionality. This would also be required in order to record compliance as is currently required under licence condition 25B.13. It is not safe to assume that the customer has fully read and understood the impact of switching supplier until SSE can demonstrate that we have had a conversation with the customer to confirm this.

We are therefore concerned that Ofgem issue the direction to modify the licence conditions and suppliers are required to comply within the standard 56 calendar day period.

### ***Complying with the proposed obligations and general DPA legislation***

It has been clear throughout the lifetime of the Smart Metering Implementation Programme that energy consumption information generated from smart meters must be regarded as personal data.

SSE remains concerned that despite Ofgem removing the obligation to retain historic consumption data on the Electronic Consumption Data Display and the Advanced Domestic Meter, this will not fully address the concerns in relation to Data Protection and the potential for a new occupier to be able to access the outgoing occupier's data until such time as the Supplier is made aware of the change of tenancy.

There is a strong possibility of reputational damage to the programme as a whole, and to the individual suppliers, if this overriding issue is not addressed and SSE strongly

---

<sup>1</sup>Page 41 - [http://www.ofgem.gov.uk/Markets/SM/Metering/SM/Documents1/effective\\_switching\\_consultation.pdf](http://www.ofgem.gov.uk/Markets/SM/Metering/SM/Documents1/effective_switching_consultation.pdf)



welcomes clarity on this issue. In particular, SSE would request confirmation as to what steps would be considered reasonable for a supplier to take when faced with the situation described above. It would be helpful for the Information Commissioners' Office to clarify the position and for Ofgem to confirm this as a matter of urgency in order for a uniform approach to be taken across the industry.

### ***Meters installed as part of the Energy Demand Research Project***

SSE would note the following extract from Ofgem's consultation published in December 2011<sup>2</sup>

*2.41. One respondent considered that historical trials should be exempted from this requirement. In some trials, older communications technologies may have been used that may make it impractical for the customer to retain ADM functionality on change of supplier. In particular, ADMs that were part of the Energy Demand Research Project (EDRP). We are proposing to include a mechanism in the licence condition, by which suppliers could request that these meters not be subject to this obligation.*

SSE would request clarity in order to determine the mechanism in which suppliers can request that meters installed under the EDRP would not be subject to this licence condition. Initially, we consider that this could be achieved under licence condition 25B.11, however we would welcome clarity from Ofgem as to how this procedure will work in practice. We are also seeking to exclude the OnStream trial meters from these obligations. It would be helpful to understand what Ofgem expect suppliers to demonstrate in order to obtain an exemption from the licence condition.

Please call me if you have any questions

Yours sincerely

Steven Findlay

**Regulation**

---

<sup>2</sup> [http://www.ofgem.gov.uk/Markets/sm/metering/sm/Documents1/effective\\_switching\\_consultation.pdf](http://www.ofgem.gov.uk/Markets/sm/metering/sm/Documents1/effective_switching_consultation.pdf)