



Enterprise Services EMEA

1st May 2012**Paul Fuller**

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Dear Paul,

Hewlett Packard has been working closely with a number of UK energy suppliers over the last 12 months to develop Smart Meter Managed Services for the Foundation Stage of the SMIP and as part of our intent to become the preferred DSP provider to the DCC. Through this engagement we have developed a detailed understanding of the CoS Loss and CoS Gain process and how it needs to operate in Foundation.

Our work has resulted in the creation of a '*Foundation Stage – CoS Approach*' discussion document that is aimed at providing energy suppliers and other market participants (such as ElectraLink) a view on how CoS will work in Foundation, I have attached this document for your information.

In response to the Statutory Consultation and Notice on 'Supporting effective switching for domestic customers with smart meters', HP is in full agreement of the position detailed. Specifically, the drive to ensure a positive customer experience and the requirement to manage all customer associated risks during the rollout of ADMs / smart meters.

In conjunction to the content of the Consultation and Notice HP would like to provide some additional considerations.

Customer sentiment can easily be impacted by the communication of both positive and negative smart meter service experiences. The document focuses on providing structure and guidelines to minimise negative impact.

In order to ensure that the additional process and data flow requirements associated with Smart to Smart CoS do not negatively impact the CoS outcomes consideration must be given to:

- Ensuring that the gaining supplier has access to technical meter data as early in the CoS process as is practical
- Maintain the existing timeline for completion of the COS process and not introduce a negative impact

- Existing industry data flows should not require modification
- Additional Smart Meter process requirements must be designed to seamlessly operate in conjunction with the legacy dumb meter processes
- Message requests routed through the appropriate industry and commercial data flows to ensure clear audit trails, data ownership and cost efficient dispute management
- Seamless service delivery to the consumer with no risk of 'stranded consumers'
- No breach of privacy rules or the Data Protection Act (DPA) – ensuring the sharing of information at the appropriate time i.e. post cooling off period

In addition to the obligations identified for the Gaining Supplier for the provision of information and notices to the consumer, HP recommends the inclusion of a notice for the requirement to complete a Premises Assessment. We would not envisage an onerous assessment, but do consider this to be an integral element of Smart Meter service provision. The assessment would be designed to ensure that the Gaining Supplier can meet its commitment to the consumer in being able to access the meter and maintain a positive customer experience (for example, by checking that the new supplier's preferred WAN provider has the right level of coverage for the premises in question). We consider this critical to a successful SMIP.

In Para 1.26 of the Consultation and Notice Document, the first bullet point states '91% of customers will switch to a supplier that may have to revert the meter to dumb mode'. HP believes that mandating the Smart Meter System Operator Model, a target much greater than 9% for Smart to Smart switching can be achieved. In support of consumer sentiment objectives, HP also believes that a figure much closer to 20% (instead of 91%) of switches reverting to dumb mode during the Foundation Stage needs to be achieved to ensure effective roll out of all meters through 2014 to 2019.

The success of the overall Smart Meter roll out programme is founded on the adoption of Smart Meters by consumers. It is imperative that once a consumer has a Smart Meter every effort is taken to ensure the meter remains Smart. Maintaining the freedom to switch without losing smart functionality is imperative. The negative publicity that will occur from even one consumer transferring back from Smart to legacy dumb meter services without valid reason has the potential to reduce the momentum of the roll out.

We hope you find our observations helpful and would be happy to go into greater detail if required.

Yours sincerely

Richard Noakes
Utility Solutions Lead
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