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By email

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**Monitoring suppliers' smart meter roll-out activities**

Dear Rob

British Gas believes that Ofgem will play a vital role in monitoring the rollout of smart metering in the UK. They will help to ensure the optimal delivery of consumer benefit and identify and support areas of supplier best practice. We are pleased to comment on the additional reporting requirements that you have identified. Both consultation questions are addressed at once, taking each proposed requirement in turn.

**Question 1: Do you consider that the above proposals place a fair and proportionate regulatory burden on suppliers?**

**Question 2: Can you propose alternative methods of monitoring suppliers' activities in these areas which are as or more effective, while imposing less of a burden?**

We see no reason to object to the proposals above. In those cases where we already provide this information to DECC, we have assumed that we would continue to do so and additionally provide the same information to Ofgem. Where we already provide the proposed information to Ofgem, we have assumed that the proposal would replace the existing report. Please confirm whether these assumptions are correct.

We have taken the opportunity to comment briefly on each reporting requirement. In our experience, further clarity and subsequent discussion will be necessary to ensure a consistent approach across suppliers. Furthermore, it is realistic to expect adjustments

over the initial few rounds of reporting as suppliers understand how their own operations are able to provide data in the early stages of mass rollout, or even before.

In one case (theft reporting) we suggest an alternative to Ofgem's proposal, on the basis that we are uncertain of the value and likely consistency across suppliers of the data in the near term.

<b>Proposed reporting requirement</b>	<b>British Gas comments</b>
<b>Number of customers who have had a smart meter installed.</b> <ul style="list-style-type: none"> <li>- <b>Of these, number of customers who had an IHD installed at the time of the smart meter installation.</b></li> </ul>	<p>This should be manageable, but we note that we will need to make system changes in order to extract the small number of IHD refusals that we experience.</p>
<b>Number of Public Service Register (PSR) customers who have had a smart meter installed.</b> <ul style="list-style-type: none"> <li>- <b>Of these, number of customers who had an IHD installed at the time of the smart meter installation.</b></li> </ul>	<p>On the assumption that you are referring to what we know as the Priority Services Register, we should be able to produce this information by mapping our known PSR customers against our smart install base.</p> <p>Again, this requirement can be met in time once we are able to extract the data on IHD refusals from our systems.</p>
<b>Number of IHDs reported faulty within one year of smart meter install and how many were replaced at no cost.</b>	<p>We can report the number of replacement IHDs provided today. However, this includes those provided where customers have lost their IHDs. We are investigating whether it will be possible to report the replacements by reason and can update you in subsequent discussions.</p> <p>We can easily report the number of IHDs replaced at no cost.</p>
<b>Number of IHDs reported faulty between one and two years after smart meter install and how many were replaced. Indicate how many months after smart meter install the IHD is understood to have become faulty.</b>	<p>This will be difficult for two reasons. If we are able to capture data it will be reliant on the customer's view of when the IHD started to malfunction. We cannot guarantee to gather this information, nor that it will be reliable. Secondly, we assume that the requirement assumes that all IHDs are the original ones provided. It may be difficult to exclude those that have been replaced more than once.</p> <p>Again, our current data shows us replacement IHDs provided to customers but with no way at present to extract which were faulty and which were lost or destroyed.</p>
<b>Total number of customers who informed the supplier that they do not want to have a smart meter installed.</b>	<p>We receive such notifications through various channels, only some of which are currently reported externally (as part of complaints reporting). It makes sense to combine into a single number, and we will develop the capability to record and report this.</p>

<b>Number of customers with a traditional prepayment meter who have had a smart meter installed.</b>	This will be straightforward, albeit low numbers to begin with.
<b>The number of cases of gas and electricity theft detected when visiting the property for a smart meter installation, estimation of the volume of gas and electricity stolen and of the volume recovered.</b>	<p>We currently do not have a record of the number of referrals to our Revenue Protection Unit which come from a smart meter visit as opposed to any other site visit. It would not be productive to map the number of suspected cases of theft against customers with smart meters, since suspected theft may result in the smart meter install being aborted. We don't believe there is currently a simple or reliable way to extract the information you are requesting, or that it would be particularly consistent or reliable across suppliers.</p> <p>An alternative would be to state this as a longer-term requirement, to come into force when larger numbers of smart meters are being installed; and additionally to tie it in with reporting that will be produced as part of the TRAS. This will ensure a consistent approach to numbers of reported cases and also consistency and rigour in the volume estimation activity.</p>
<b>Number of customers that have a smart meter installed, by postcode.</b>	Please confirm that you will only require this information by postcode <i>outcode</i> . If so, this is unproblematic.

I would be pleased to discuss any element of this response with you, and would also request a more detailed industry discussion in the near future to ensure that the agreed requirements are understood and approached consistently by all parties.

Yours sincerely

David Speake

Regulatory Manager, Smart Metering

British Gas