

Rob Church
Associate Partner, Smart Metering & Smarter Markets
OFGEM
9 Millbank
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20 June 2014

Dear Rob,

MONITORING SUPPLIERS' SMART METER ROLL-OUT ACTIVITIES

Thank you for the opportunity to respond to the above consultation.

With regard to the first consultation question we very much welcome Ofgem's commitment to reducing the regulatory burden in this area by aligning its data collection activities with those DECC has already put in place. We consider that Ofgem's proposed range of data items represents a proportionate reporting obligation for suppliers (though such obligations might cease to be proportionate if they were to be materially extended), and also broadly accept Ofgem's rationale for these proposed data items.

It may be useful for Ofgem to check that each of the proposed items are within the powers of electricity supply SLC 44.12 (and the corresponding gas condition), which appear to be limited to the purposes set out in SLC 44.2. While this does not seem to be a problem for most items, Ofgem may wish to check that the rationale stated for item 7 and that for item 8 are within the permitted purposes and (if not) whether SLC 5 powers are available. It is helpful to be clear as to the basis upon which information is requested as this can affect, for example, whether it must be treated as confidential.

On energy theft, the main connection with the smart-rollout is the potential for meter installers to identify suspected theft in the course of smart meter installations; however, we would note that installers are less likely to gain access to premises where theft is taking place (or that the theft will be disguised at the time of their visit). Where meter installers suspect theft, the installation is likely to be postponed and the matter will be left to our revenue protection specialists to investigate and progress. Accordingly, although it might only have come to light as a result of the smart rollout, data regarding energy theft (e.g. recovered volumes) will actually be unrelated to roll-out activities, and will require coordination with other departments and information systems that would not normally feed into the annual report.

We therefore think, and with particular regard to the second question in the consultation, that it would be more efficient (and perhaps closer to the powers of SLC 44) for data item 7 to be limited to the number of reported instances of suspected theft, with the remaining theft data items obtained from the Theft Risk and Assessment Service (TRAS), which will be operational by late 2015. The TRAS's role is to collect

and analyse energy theft data and it should therefore be able reliably to report cases of theft identified during the smart rollout.

We agree with Ofgem that these reporting requirements will need to evolve over time, and would welcome further opportunity to provide our input in helping to shape these requirements when the time comes.

Should you wish to discuss any aspect of this response please do not hesitate to contact me or David Ross Scott (davidross.scott@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 that serves as a separator between the signature and the typed name below.

Rupert Steele
Director of Regulation