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Your ref

Our Ref

Date

15<sup>th</sup> February 2017

Contact / Extension

Stephanie Anderson  
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Dear Colin

**Consultation on large supplier smart meter roll-out plans and annual milestones, with draft legal direction**

SP Energy Networks (SPEN) is the networks business of Scottish Power and holds three electricity network licences. We own and operate the electricity distribution networks in the Central Belt and South of Scotland (SP Distribution) which serves two million customers, and Merseyside and North Wales (SP Manweb) which serves one and a half million customers. We also own and maintain the electricity transmission network in the Central Belt and South of Scotland (SP Transmission), although this is operated by National Grid, in its role as the National Electricity Transmission, System Operator of Great Britain.

SPEN supports Ofgem's proposals to amend the framework for regulating large energy suppliers with respect to their smart meter roll-out plans, and the setting of annual milestones.

These amendments will create a framework that prompts suppliers to keep their plans under review, maintaining appropriately challenging annual milestones, and ensuring that any revisions are made with a view to completing the 2020 roll-out obligation.

Whilst we agree that suppliers should already be keeping their key assumptions under review, it is important that the roll-out plan is a legal licence obligation. This will ensure that due diligence is applied and that there is responsibility and accountability for the roll-out plan.

As suppliers will be required to revise their roll-out plan where new evidence exists that will or could have a material effect on previously submitted annual milestones, it is our view that the term "material" should be clearly defined, as this is key to the intent of this obligation. For example, evidence may exist that will not impact suppliers, however, may have a significant impact on Distribution Network Operators or other key stakeholders.

Distribution Licensees have an existing licence obligation which only permits them to recover costs associated with the Smart Meter Roll out until 2020. Therefore it is vital that Distribution Network Operators are fully informed of any potential delays to the Roll out.

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Furthermore, it is our view that the format of the Roll out Plan should be standardised to ensure that the Roll out plans can easily be compared. Following each Roll out Plan submission, it would be useful if Ofgem could publish a short high level summary report, providing Roll out Plan comparisons and drawing out key stakeholder information.

Please do not hesitate to contact me should you have any queries.

Yours sincerely,



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