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Sent by email only to: colin.down@ofgem.gov.uk

Dear Colin,

Supplier smart metering rollout plans and milestone consultation: Proposed direction pursuant to condition 44.3 of the electricity supply licence / condition 38.3 of the gas supply licence

This is the British Gas response to Ofgem's proposals in relation to the above consultation. Our response is non-confidential and can therefore be published on your website.

We welcome the opportunity to comment on this proposal that requires suppliers to submit revised annual milestones in January 2018 and attempts to clarify the link between the revised rollout plans and suppliers' general duty to take all reasonable steps to install smart meters in all homes by 2021.

Ofgem will be well aware that our approach to the rollout will continually develop and evolve as the rollout progresses. Going forward, we envisage providing a revised rollout plan to Ofgem annually, because it is likely that there will be material change with each year that passes which we will reflect in our plans. In particular:

- **Our approach will evolve** as we learn more, exploit opportunities and identify and manage risks, particularly as we start to grapple with less clear-cut determinants of success, like customer engagement;
- **The external Programme landscape is constantly moving**, and this directly affects the scale of the challenge we face. We have external dependencies upon the DCC, and on industry-wide solutions such as those for more complex Home Area Networks, and it is necessary to reflect movements in these external dependencies and their impacts on our plans as the rollout progresses.

In an evidence-based conduct framework, supported by the requirement for duly justified plans, we recognise the value of sharing our rationale and approach to delivery of our obligations with Ofgem. We are therefore supportive of Ofgem's proposals but, for the reasons above, we would like to see the requirement to submit revised rollout plans to extend to January 2019 without the need for suppliers to seek consent from the Authority.

The ability to revise annual rollout plans will allow suppliers to ensure that they continue to have in place plans that accurately reflect their capacity to install smart meters as their experience of the roll-out increases.

We are therefore requesting that Ofgem either:

- (i) make a subsequent change to condition 44.6(a) of the electricity supply licence and condition 38.6(a) of the gas supply licence electricity licence condition to allow for submissions in January 2019¹ without having to request permission from the Authority; or
- (ii) provide confirmation in their response document that any request from a supplier to resubmit a revised rollout plan in January 2019, made in accordance with condition 44.6(b) of the electricity supply licence and condition 38.6(b) of the gas supply licence electricity licence condition, would be agreed to by the Authority where the supplier has knowledge or information that could have a material effect on the annual milestones or the assumed completion rate in their most recently submitted plan.

As Ofgem have indicated in the consultation document, if a supplier were to submit a revised rollout plan that Ofgem did not believe was duly-justified, then the milestones from the previous rollout plan would continue to remain binding. With this protection in place, we see no reason for suppliers not to be given the right, or approval to, submit revised rollout submissions in January 2019.

We have reviewed the draft direction provided alongside the consultation, in particular the proposed amendments in paragraphs 3, 8 and 9, and we are satisfied that it delivers the policy intent described in the consultation document.

Please do not hesitate to contact me, or Simon Trivella (simon.trivella@britishgas.co.uk), if you require any further detail on our response or if you wish to discuss further our above proposal on extending the rollout plan resubmission arrangements into 2019.

Yours sincerely,

Graham Wood
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¹ The proposal is for the existing date 31 March 2018 within the condition 44.6(a) of the electricity supply licence and condition 38.6(a) of the gas supply licence electricity licence condition to be amended to be 31 March 2019.