

Smart Metering Implementation Programme: Licence conditions for a Code of Practice for the installation of smart electricity and gas meters: a consultation

Response by Northern Powergrid

Northern Powergrid is the electricity distribution business for the north east, Yorkshire and parts of northern Lincolnshire, operating through its two licensed subsidiaries. We welcome the opportunity to take part in this consultation. We have taken part already in a number of interactions with DECC and its consultants on the subject of smart metering and look forward to continuing to make a constructive contribution to this initiative.

Our detailed responses to the questions are included later in this response, but it may be helpful to summarise our views on the key issues below.

Our key points are:

- The responsibilities of suppliers under the Code of Practice need to be extended beyond simply preparing the customer for the installation and the installation itself. The Code also needs to cover issues that arise as a consequence of the roll out.
- Two issues of particular importance to DNOs are installations where DNO input is required before the meter can be installed, and provision of 24/7 cover in the event of a meter malfunction that results in a loss of supply.
- We shall be making the same points in response to the ERA consultation on the Code itself, but, in order to provide regulatory cover, the objectives set out in the licence condition may well need expanding to ensure these aims are met.

Consultation Question	
1.	<p>Are the overall objectives set out in the draft licence conditions appropriate?</p> <p>The responsibilities of suppliers under the Code of Practice need to be extended beyond simply preparing the customer for the installation and the installation itself. The Code also needs to cover issues that arise as a consequence of the roll out. Two issues of particular importance to DNOs are installations where DNO input is required before the meter can be installed, and provision of 24/7 cover in the event of a meter malfunction that results in a loss of supply.</p> <p>A number of issues (such as location of the meter or the existence of a metal-clad cut-out) have been identified which could result in a meter installer not being able or willing to install a meter until they have been fixed. Ways of dealing with these issues are being carried forward successfully in the DECC operational issues group and, by the distribution companies, in the Energy Networks Association's Smart Meter Operational Group. But it is important that all suppliers and meter operators are committed under the Code of Practice to working cooperatively with the relevant distribution company in order to cause as little inconvenience to the customer as possible.</p> <p>It is inevitable that, with the installation of so many pieces of complex equipment there will be malfunctions or installation errors that will require the meter or its connections to be repaired or replaced. Some of these are likely to result in a loss of supply to the customer and may well occur outside of normal office hours. The situation is particularly serious if such a loss of supply were to occur to a vulnerable customer. At present, DNO engineers are called to loss of supply situations out of hours and can usually restore power. They will not have the skills to do this for customers with smart meters. Suppliers and meter operators therefore need to have in place from the start of the meter roll out adequate arrangements for dealing with metering malfunctions both inside and outside office hours. This should also be covered in the Code of Practice.</p> <p>The objectives set out in the licence condition may well need expanding to ensure these aims are met.</p>
2.	<p>Would the licence conditions as drafted effectively underpin:</p> <p>a) the intended roles of Ofgem and suppliers in establishing and reviewing Code(s) of practice for domestic and micro-business sites?</p> <p>b) an appropriate ongoing governance regime for the Code(s) of Practice?</p> <p>c) the intended arrangements for monitoring and compliance with Code(s)?</p> <p>The licence conditions as currently drafted do not cover the issues referred to in answer to question 1 above. They need to do so.</p>
3.	<p>Should the licence conditions underpinning a domestic Code also be applied to smart-type meters, or should the Government work with suppliers to secure voluntary application of Code provisions?</p> <p>Our concerns are principally related to domestic customers and so voluntary application would seem acceptable for smart-type meters.</p>
4.	<p>Would the licence conditions as drafted effectively underpin the policy intention that the costs of the installation of smart meter systems should be reflected over time in customer's energy bills, with no upfront or one-off charges?</p> <p>n/a</p>
4.	<p>Do you agree with our definitions of sales and marketing?</p> <p>n/a</p>
5.	<p>Do you agree that prior written consent should be required for any face-to-face marketing or sales activity during the installation visit?</p>

	n/a
6.	Are any other measures required to protect consumers' interests in relation to sales and marketing during the installation visit
	n/a
7.	Would the licence conditions as drafted and/or existing rules deliver the policy intentions on customer information and advice, vulnerable consumers, avoiding undue inconvenience and complaint-handling?
	Vulnerable customers are particular exposed to the issues raised in answer to question 1 above. As we note above, the licence conditions and code need extending to deal with these issues.
8.	Do you agree that, for the purposes of the non-domestic code, the sites to be covered should be defined as a business with no more than 10 employees or their full-time equivalent, an annual turnover that does not exceed €2 million, or consumes less than 50MWh of electricity a year or less than 200MWh of gas a year?
	n/a
9.	Would the licence conditions as drafted effectively underpin the policy intentions with respect to non-domestic consumers on customer information and advice and undue inconvenience?
	n/a