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Dear Sir/Madam

Smart Metering Implementation Programme (Consultation Ref: URN 11D/836)

Further to the above referenced consultation I have set out below the Electricity North West response to the questions that are directly relevant to us as a DNO. There is also additional comment regarding our concerns over the practicalities and costs of managing the Smart Meter roll-out and its potential impact on resources and funding.

Question 16 relates to the provision of emergency metering services and whether the proposed 'new and replacement obligation' in Supplier licence conditions will affect this service. The provision of emergency metering is a service provided by DNOs to Suppliers (and their Meter Operators) on an optional basis. In electricity, DNOs no longer have an obligation to provide these services. If the new and replacement obligation were to be brought into force as drafted (from 2014) then all NOs would need to train large numbers of their staff not only in Smart Meters but on all the associated communications modules, in-home devices and the applicable commissioning and testing procedures for these. In addition to the training there would also be a requirement for the NO to purchase and hold stock of the various types of Smart Meter, variations of communications modules and in-home devices.

Electricity North West believes that as the Smart Meter is the Supplier's equipment then it is the Supplier who should have an explicit obligation to provide a 24-7 emergency service to customers. The Suppliers (or their appointed Meter Operators) will have staff that have already been trained and are qualified and experienced to deal with Smart Metering equipment. In addition these staff will be working on this equipment on a daily basis and have a great deal of familiarity with it. It is our view that there are considerable safety issues involved in asking the NO's to train staff on new equipment which they will then only work on an infrequent basis, having the potential for causing accidents or incorrect connection and setup of Smart Meters. Electricity North West believe that the safety, commercial and cost implications to customers and to the DNO far outweigh the cost of Suppliers providing an appropriate level of service to customers. The continued provision of the existing emergency metering service would still provide benefits to customers in extreme situations such as flooding and could then be followed up by the Supplier.

Questions 31 – 33 relate to the provision of outage detection within the SME and also the ability to provide a signal on restoration of power. The signalling of outages and also restoration of power are integral functional requirements that do need to be included in the Communications

Hub. The SMETS should include a requirement for this and the DCC Communications service providers need to specify this equipment as part of their WAN technology.
The ability to signal outages and restoration will provide much greater granularity of information to assist in speeding up the identification of faulted areas, customers affected and consequently help improve restoration. The indication of restored power should also improve levels of service to customers by identifying any anomalies as power is restored to large areas.

Question 43 asks about the necessity for maximum and minimum demand functionality. Electricity North West considers that in trying to progress towards Smart grids and all that this will mean for two-way energy flows and completely differing demand profiles it will be crucial to have appropriate maximum and minimum demand data. All the uncertainty of future networks whether it is generation in the form of renewable, electric vehicles, heat pumps or direct heating mean that new models will be required to understand the network. These models will need accurate and appropriate demand data which should be provided through the Smart Meter.

Question 45 queries whether the Smart Meter should have the ability to disconnect the supply on detection of a floating neutral situation. The use of the Smart Meter prepayment contactor switch to protect consumer premises from voltages caused by broken neutrals would provide significant safety and cost benefits. This is based on the assumption that appropriate governance can be put in place to ensure that the consumer supply is only de-energised when it is essential for safety. This would provide increased protection against excessive voltages possibly preventing damage to appliances and potential electric shock situations. The safety benefits this provides are considerable as the number of these type of incidents is, unfortunately, continuing to increase as the problems of metal theft on the electricity network have been rising significantly over the last few years.

Question 47 seeks views on the options for electrical contractors to work safely and efficiently between the meter and the consumer unit/fuse box. The Electrical Safety Council has worked with ENA and AMO to present a justified business case that considered the options available and proposed the use of a switch in the meter. The cost of installation of a separate isolator cannot be justified against the cost of a switch/isolator incorporated within the meter. The material cost of a separate isolator would be higher than a built-in unit and would also incur installation costs over and above fitting the meter.

The obligation for offering appointments to Customers for work like this is with Suppliers who also have the work force capability through the MOs to do it. In addition Suppliers are able to charge for work activity of this type but as this whole process has not been working as it should the DNOs have been left to pick up the pieces with contractors. As the Suppliers do not appear to be accepting their responsibilities and obligations the easiest permanent solution is to incorporate an isolator in the meter.

The management of a regime for authorizing "competent" electrical contractors is impractical and unworkable. For a DNO it would mean moving from authorizing several hundred people to tens of thousands and effectively compromise safety at the cutout. The requirement to ensure proper sealing of cutouts and meters and the identification and management of sealing pliers would become unworkable and we believe would make it impossible to know who had worked at a cutout following any incident. The cost to the DNO's of such a scheme would be very high as it would require a significant increase in staff to assess and authorize these contractors. The alternative to that level of cost is to implement a regime similar to that used by the signatories to MOCOPA whereby the DNO recognizes MO's ability to authorize its own staff. However it is our view that any regime under option 4 would effectively simply legitimize all electrical contractors in continuing with the unsafe practices that are currently practiced and a more practicable and safer option is the use of an isolator in the meter.

In addition to the questions raised in the SMIP consultation Electricity North West would like to raise the issues associated with management of the roll-out programme and the work and cost implications for DNOs.

The impact of replacing all meters over a 5-6 year period will mean very large numbers of cutout and/or service changes will need to be completed by all DNOs. At the moment the estimates of the levels of this work vary as the industry gets experience from trials and early rollouts, but potentially up to 16% of all cutouts requiring change, against a population for Electricity North West of 2.4 million. The impacts for levels of staff and associated costs of work are high for all DNOs as it represents a several fold increase from the current rate of cutout changes. Our concern is that particularly during the 2014-15 period when roll-out starts in earnest that we are not funded for this level of activity. As the current estimates for the amount of work and associated costs vary considerably it is felt that this could be addressed by Ofgem allowing a re-opener clause for consideration of the costs based on levels of activity.

The practicalities of managing the program of cutout replacement would also be greatly helped if Suppliers would liaise with each other to try as far as possible to co-ordinate work in an area. This would help the DNOs to manage cutout replacement in a much more efficient manner and reduce costs.

I hope these comments are helpful and look forward to the outcome of the consultation.