

July 27th, 2012

Smart Metering Implementation Programme – Roll Out Team
Department of Energy and Climate Change
Room 101
55 Whitehall Place
London
SW1A 2AW

Consultation on information requirements for monitoring and evaluation

Dear Sir,

Please find First Utility's response to the above consultation below.

Question 1: Do the licence conditions as drafted deliver the set policy intentions set out above – for example, to create a consistent, predictable and proportionate framework for monitoring and reporting? Do any specific areas of the draft licence conditions need amendment or clarification to deliver this policy and, if so, how should they be amended?

These seem appropriate.

Question 2: Is there a need for any consequential changes to existing licence conditions or codes to ensure that the proposed requirements on suppliers or network operators work as intended?

We do not believe so.

Question 3: What are your views on this proposed approach to the scope, frequency and timing of the content of Information Requests?

We believe it is proportionate to only require Annual Supplier Reports from those suppliers with a customer base in excess of 250,000 domestic customers as this will avoid smaller companies acquiring a disproportionate regulatory burden as a result of these proposals. We also feel that annual (as opposed to quarterly) collection of Regular Monitoring Data from smaller suppliers is appropriate for the same reason.

Question 4: Do you have any comments on the proposed framework for the provision of suppliers' plans and reporting information to Ofgem? Are there any alternative approaches that might better achieve the aims of the framework?

It seems appropriate to develop the framework by means of additional conditions to the supply licence given the importance that this data is likely to have in relation to the overall smart meter programme.

Question 5: Do you have any comments on the appropriate format of, and interval between, the interim milestones?

We agree that the format should be contained within the licence in order to provide certainty to suppliers. The intervals are likely best agreed between Ofgem and each respective supplier as they will be able to set their own individual milestones based on their roll out plan.

Question 6: Do you have any comments on which elements of the above approach would be appropriate for smaller suppliers?

We believe that some smaller suppliers would be happy to agree milestones of this type with Ofgem on a voluntary basis, provided that the difference in resource in this case between those companies and the Big Six were to be taken into account.

Question 7: Do the licence conditions as drafted effectively implement the proposed framework described in this section?

These seem reasonable.

Question 8: What are your views on the options for different geographical granularity of data collection for:

- *Monitoring the roll-out of smart meters*
- *Tracking the impact of smart meters on consumers' energy use for a sample of consumers*
- *Understanding the benefits and costs incurred?*

We would suggest that tracking the impact of smart meters on consumers' energy usage will need to be conducted at meter level if this is to be effective, particularly if a sample of consumers is being utilised. For monitoring the roll out of smart meters and understanding the benefits and costs incurred, we believe that DNO area level information should be sufficient and more cost effective than gathering data at a more granular level.

Question 9: What are your views on this approach to the publication of aggregated and supplier specific information?

We agree that the publication of high level aggregated, anonymised data would be most appropriate for these purposes for reasons of commercial confidentiality. We also agree that that Government should seek prior consent from the respective supplier should it wish to publish information specific to that supplier.

Question 10: What are your views on the assumptions about the cost burden on suppliers of collecting and reporting on these data and information requests? What could DECC do to minimise costs further?

We expect that the significant majority of information required will be already collected by suppliers. Therefore, we do not expect any significant incremental costs in relation to this, particularly as smaller suppliers will only be required to report a subset of the information on an annual basis.

Question 11: What are your views on the information that large domestic suppliers should provide to Government on an annual basis?

These seem appropriate for the purposes of tracking large supplier progress in relation to the rollout obligation.

Question 12: What are your views on the information that suppliers should provide to the Government on a regular reporting cycle?

Monitoring of installation activity would seem to be of primary importance. Although consumption data is likely to be useful, we agree that suppliers with fewer than 250,000 domestic customers should provide this data on a voluntary basis as the extra resources required to collate this information are likely to outweigh the overall benefit of its provision given that the large incumbents supply some ninety nine percent of the domestic market.