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Attention

Smart Metering Programme
Department of Energy & Climate Change
Lower Ground Floor
1 Victoria Street
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22nd August 2013

Dear

British Gas response to proposed amendments to roll-out licence conditions for the non-domestic market, June 2013

We agree that it is appropriate for the Government to consider the issues raised in the letter published by Baroness Verma dated June 2013 and welcome the opportunity to provide a British Gas perspective. The specific queries set out paragraphs 16, 24 and 26 are considered in turn below.

1. Whether the period during which advanced meters can be installed should be extended

On balance, we agree that it would be sensible to extend the period to reflect the current circumstances around availability of the DCC and SMETS meters, that are not quite as envisaged when the date was set. It is not a subject on which we hold a strong opinion, however, and it is not a change that we would have requested un-prompted. For British Gas our expectation is that we will install a combination of advanced, smart-type and SMETS metering. Our strong preference is for SMETS since it introduces the opportunity to enrol to the DCC. Our attitude on this will not change if the period of exemption for

advanced metering installations is extended. Overall, we do not see a change of date having much impact.

2. The impact on the non-domestic metering market if the exception period were not extended

This is not easy to predict but it is conceivable that there could be an increase in the number of advanced metering installations prior to the current deadline. There is no evidence to us of this happening, and we would expect most large suppliers to reach conclusions similar to our own as regards their choice of metering technology.

3. What effects any extension would have on the operation of the supply market

As described above, the extension would have no impact on British Gas and we have no reason to expect it to be received differently by our competitors. Our clear preference is to deploy SMETS-compliant meters as soon as they are available. We think it is sensible to allow more time for these products to be brought to market and an extension to April 2015 would provide this.

4. Whether any arrangements should apply in the same way to both electricity and gas meters

In principle we believe that the arrangements should apply in the same way for both fuels. In practice, the appetite for advanced metering could be stronger in gas since there is not yet a standalone gas smart metering solution.

5. If it should be extended, whether it should be extended to:

- **April 2015;**
- **April 2016; or**
- **a date that would be designated in due course with an appropriate notice period (for example, six or twelve months)**

We have no strong views on this but incline towards April 2015 as the most suitable choice. It is a full year extension providing a clean break-point at which suppliers should be focusing their attention on readiness for smart metering installations.

6. Exception where 'contractual arrangements' are in place.

We are surprised at the interpretation of 'contractual arrangements' described in the letter and agree that the clarification proposed by DECC, to require one of the contracting parties to be the customer, is sensible.

7. The appropriateness of amending the definition of non-domestic premises to mean all non-domestic sites in Profile Classes 1-4

We welcome this amendment which resolves a categorisation dilemma by amending the definitions to reflect the real world. We should continue to address examples of incorrect categorisation but in most cases these are domestic-type premises supplied through a group contract.

8. Incorporating a minimum requirement for information provision in the definition of an SMS at designated premises in the roll-out Licence Conditions.

We see no difficulty in introducing this assurance for customers and agree that timely access to data is a reasonable expectation, irrespective of the metering architecture chosen by their supplier.

Yours sincerely

Head of Smarter Regulation and Industry Codes