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FAQ Mr Geoff Hatherick

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Dear Geoff

Response to Baroness Verma's open letter addressing proposed amendments to roll-out licence conditions for the non-domestic market

SSE is pleased to provide its response to the questions raised within this open letter. We welcome the ongoing engagement with the Smart Metering Implementation Team and have provided answers to the specific questions posed by Baroness Verma in the attached annex.

Please do not hesitate to contact me should you wish to discuss any of the points raised within this response.

Yours sincerely

Regulation Analyst

Annex

Non Domestic Market: Proposed Amendments to Roll-Out Licence Conditions

16. In reaching a final decision, the Government would welcome views on:

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

SSE believes that it is in the best interests of both industry and consumers to extend the deadline for the installation of Advanced Meters. We believe that customer demand can not be met purely by the installation of SMETS1 meters. This situation is due to the delay in smart rollout, interoperability issues and the current lack of a three phase SMETS1 meter. Continuing to install AMR meters would give continuity to suppliers' rollout plans, including those for CT metered sites and allow more granular data to be collected and analysed for the benefit of customers.

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

If the exception period is not extended then there would be a hiatus in the rollout plans for remote metering to Business Customers which in turn would mean a slowdown in the growth in the numbers of business supplies being remotely read.

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

SSE believes that continuing to rollout AMR would lead to improved accuracy of energy settlements and customer billing, enhanced energy management data for customers and the facility for more data to be loaded onto web based tools. These benefits will give customers better data analytics and improved Smart functionality. These were the underlying policy objectives behind the original AMR obligations, but this has sat on the basis that smart rollout would commence on a faster timescale than has been the case in practice.

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

SSE believes that these arrangements should apply in the same way to electricity as to gas, though for different reasons. A significant number of commercial gas meters are exempt from the Smart roll-out and will eventually become AMR. Delaying this until the smart roll-out commences would not benefit customers or the industry.

- **If it should be extended , whether it should be extended to :**
 - **April 2015**
 - **April 2016**
 - **A date that would be designated in due course with an appropriate notice period.**

Our view is that the deadline should be extended to a variable date giving a long notice period of the cessation of the licence condition up to 12 months. This would allow for any further delays to the smart timeline.

19. Exception for advanced installations after 5 April 2014



We would welcome this proposal and confirm that it has always been our understanding that contractual arrangements must directly involve the customer.

24. The Government would welcome views on the appropriateness of amending the definition of non domestic premises to mean all non domestic premises in Profile Classes 1-4.

We agree that it is appropriate to amend the definition of non-domestic sites that are Profile Class 1-2. Domestic profile sites which are part of large non-domestic groups are treated as commercial properties by both energy suppliers and customers and should be dealt with in the same way as small non domestic properties. It may be sensible to designate these as "Commercial Domestic" or "Corporate Domestic".

We welcome that this clarification would align the smart obligations to the non domestic definition in SLC 6.

26. The Government would welcome views on incorporating this minimum requirement for information provision in the definition of a Smart Metering System at designated premises in the roll-out licence conditions.

SSE is supportive of the Government's minimum data requirement for customers who choose to opt out of the use of the DCC services. It is our aim to ensure all commercial customers have access to their half hourly data in a timely manner and we will be supporting this with an external facing web based application.