

**Consultation on Smart Meters Programme – proposed amendments to the rollout
licence conditions relating to the non-domestic market**

Submission by GDF SUEZ Energy UK-Europe

23 August 2013

(I) Introduction

Thank you for the opportunity to comment on your open letter dated June 2013 with regard to the Smart Meter rollout programme and the proposed amendments to the rollout licence conditions relating to the non-domestic market. Please find our response below which is not confidential.

(II) Answers to Consultation Questions

Question 1: Whether the period during which advanced meters can be installed (currently to 5 April 2014) should be extended?

1. Yes, we are in favour of an extension. At the time of the decision to set the original end date for AMR rollout at 2014 an important contributing factor was that this end date would coincide with the start of mass rollout of Smart. The deferral of the mandated rollout date for smart from the original aspiration of April 2014 to April 2015 now introduces the prospect for a disjoint if the two dates are no longer aligned.

Question 2. What would be the impact on the non-domestic metering market if the exception period were not extended?

2. There is a potential for a hiatus in the rollout programme for the non-domestic market where neither advanced nor smart solutions would be installed between 5 April 2014 and the mandated start date of April 2015 for Smart Meter Rollout. The deferral for the mandated smart meter rollout date was based on feedback from domestic suppliers readiness for mass market rollout and hence opportunities for the benefits for consumers associated with non-dumb metering may be lost if it were not possible to install advanced for the extended period.

Question 3. What effect would any extension have on the operation of the supply market?

3. The proposal to extend the period for installation of advanced meters would, in our view, improve competition in the non-domestic supply market. Those consumers who may have been otherwise waiting for the installation of SMETS2 meters could benefit early from the continued adoption of AMR and they could also be expected to benefit from a wider choice of supplier.

Question 4. Whether arrangements should apply to both electricity and gas?

4. Yes, we agree that the arrangements should apply across both gas and electricity markets for two reasons. Firstly, the simplicity of the licence arrangements should be maintained, to have differences across the two sets of licence conditions has the potential to cause unnecessary confusion. Secondly, it is not unusual for dual fuel suppliers to have similar contractual arrangements with metering providers for both gas and electricity metering services. Having a different roll-out date for either fuel has the potential to over-complicate commercial contracts unnecessarily.

Question 5. If an extension were to apply, which date should it be extended to?

- ***April 2015***
 - ***April 2016***
 - ***A date which would be designated in due course with an appropriate notice period***
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5. Our preference is for the end date to be extended to April 2016. A fixed end-date has the advantage of being clearer to work to operationally compared to one which may be designated later. We consider that April 2016 would be preferable to April 2015 because this allows for the transition to SMETS 2 type meters and the inception of the DCC within the allotted timeframe.

Question 6. Exemption for advanced installations after 5 April 2015 – clarification of “Contractual arrangements”

6. We agree that the definition of “contractual arrangements” should be clarified as suggested i.e. that the continued installation of advanced metering must be one that directly involves the customer (rather than a contract with a metering agent etc.). We have always interpreted the current licence definition of contractual arrangements in this way.

Question 7. Amending the definition of non domestic premises to mean all non-domestic sites in PC1-4.

7. We welcome the additional clarity in this area and we agree with the government proposals.

Q8. Provision of information to customers.

8. We welcome the additional clarity in this area and we agree with the government proposals.

End of response to questions.

For further information please contact:

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