

Smart Metering Implementation Programme
Department of Energy & Climate Change
Orchard 3, LG Floor
1 Victoria Street
London
SW1H 0ET

By email only to: smartmetering@decc.gsi.gov.uk

26 August 2014

Dear Sirs

Consultation on the DCC's Procurement Strategy and Statement of Service Exemptions

Thank you for the opportunity to respond to the above consultation. This letter should be treated as a consolidated response on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. Our response is not confidential and can be published via the DECC website.

Our answers to the consultation questions are set out in the appendix to this letter and we hope that you will find our comments helpful. If any part of our response requires further explanation or clarification please do not hesitate to contact me.

Yours faithfully

Appendix

Consultation on the DCC's Procurement Strategy and Statement of Service Exemptions

UK Power Networks' answers to the consultation questions

Question 1: Do you have any comments on the DCC's Procurement Strategy for Relevant Service Capability? In particular:

- *Do you agree that the Strategy meets the requirements of the DCC licence?*
- *Do you agree that the Strategy is suitable for approval by the Secretary of State?*

If you do not agree, please explain your rationale.

We have reviewed the Strategy and consider that it is well structured, with useful examples of each type of procurement process. The section on fundamental service capability and external service provider contracts is clearly laid out, showing when the contracts are due for extension or renewal.

On the basis of our comments above, we agree that the Strategy meets the requirements of the DCC licence and is suitable for approval by the Secretary of State.

Question 2: Do you have any comments on the DCC's Statement of Service Exemptions? In particular:

- *Do you agree that the Statement meets the requirements of the DCC licence?*
- *Do you agree that it is reasonable that more detail is provided as the DCC and its CSPs learn from operational experience?*
- *Do you agree that the Statement is suitable for approval by the Secretary of State?*

If you do not agree, please explain your rationale.

We consider that the Statement meets the requirements of the DCC licence and is suitable for approval by the Secretary of State.

In relation to the second bullet, we agree that the DCC and its CSPs will learn from operational experience. We would welcome more detail on the types and locations of difficult to serve buildings prior to the start of Initial Live Operations and suggest that energy suppliers who are currently installing SMETS1 meters may be able to help the DCC better understand the type, number and location of these buildings.