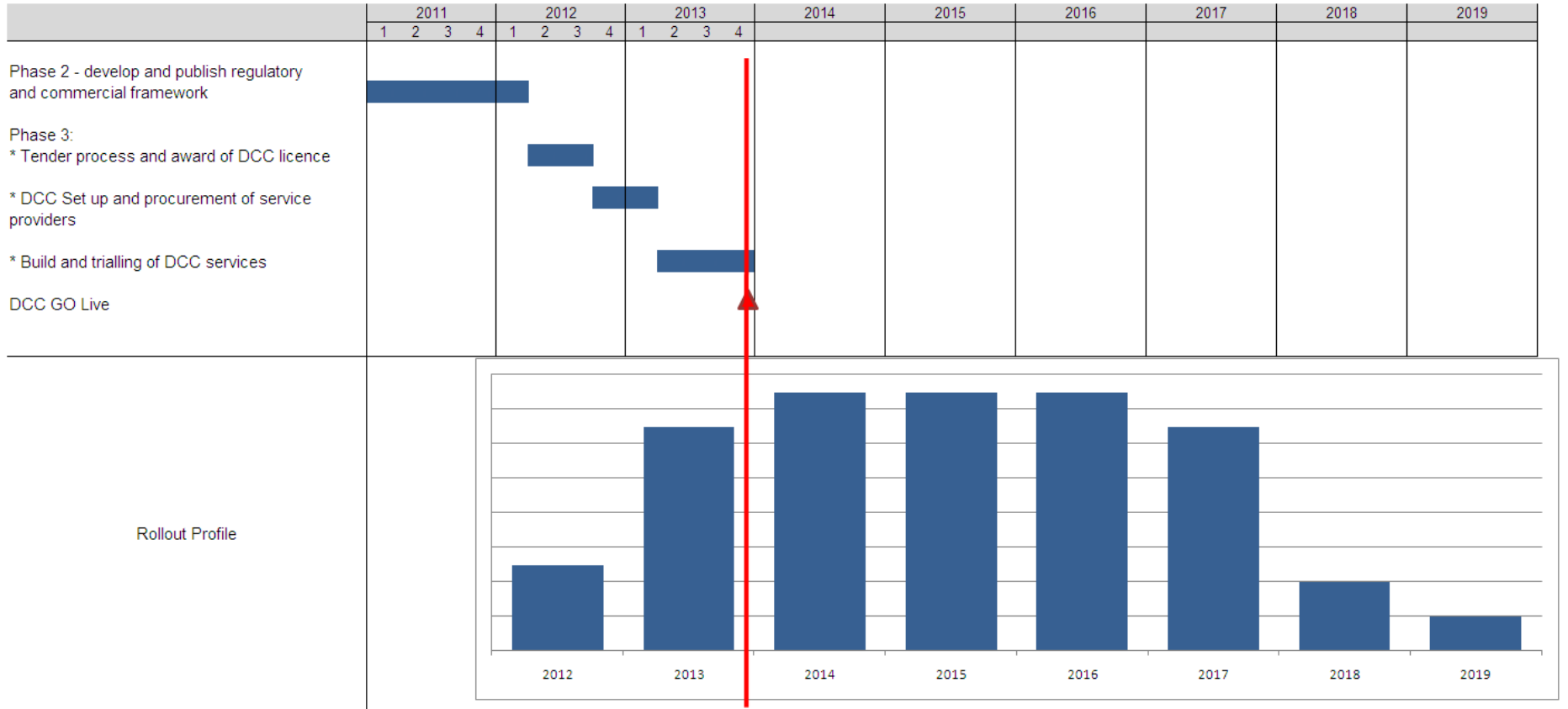


## **STAGED IMPLEMENTATION - TIMETABLE**

## Overview of delivery timetable



## Rationale for 'staged approach'

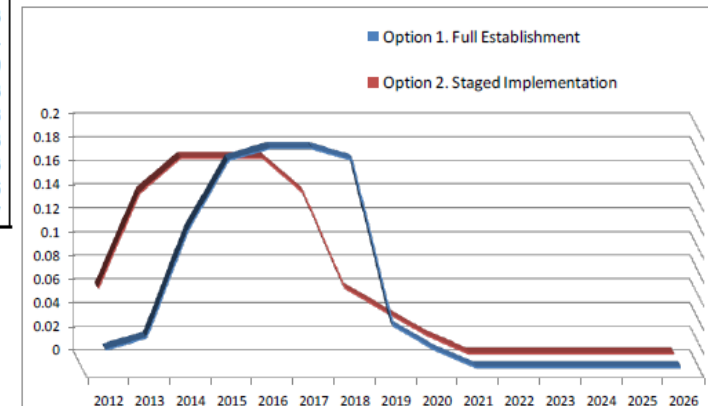
Consumer benefits will be realised as soon as meters and IHDs are installed – benefit delivery is determined by supplier rollout

### Option 2:

Total costs	10,051	Total Benefits	15,040
Capital	3,770	<b>Consumer benefits</b>	<b>6,800</b>
Installation	1,607	Energy saving	4,468
O&M	671	Load shifting	736
Comms upfront	822	TOU tariffs	390
Comms O&M	1,318	EU ETS	354
Energy	709	Global CO2 reduction	640
Disposal	40	Reduced losses	213
Pavement reading inefficiency	311	<b>Supplier benefits</b>	<b>6,762</b>
Legal, setup, IT and organisational costs	665	Avoided meter reading	2,872
Integrate early meters into DCC	137	Inbound enquiries	1,032
		Customer service overheads	179
		Debt handling	1,053
		Avoided PPM COS premium	974
		Remote (dis)connection	239
		Avoided site visit	413
<b>NPV</b>	<b>4,989</b>	<b>Other benefits</b>	<b>1,478</b>
<b>Average annual impact per meter (£)</b>	<b>3.6</b>	Reduced losses	213
		Reduced theft	113
(Stranding costs)	(820)	Microgeneration	36
(Stranding from switching)	(000)	Customer switching	1,117

Significant areas of benefit can be realised without central comms

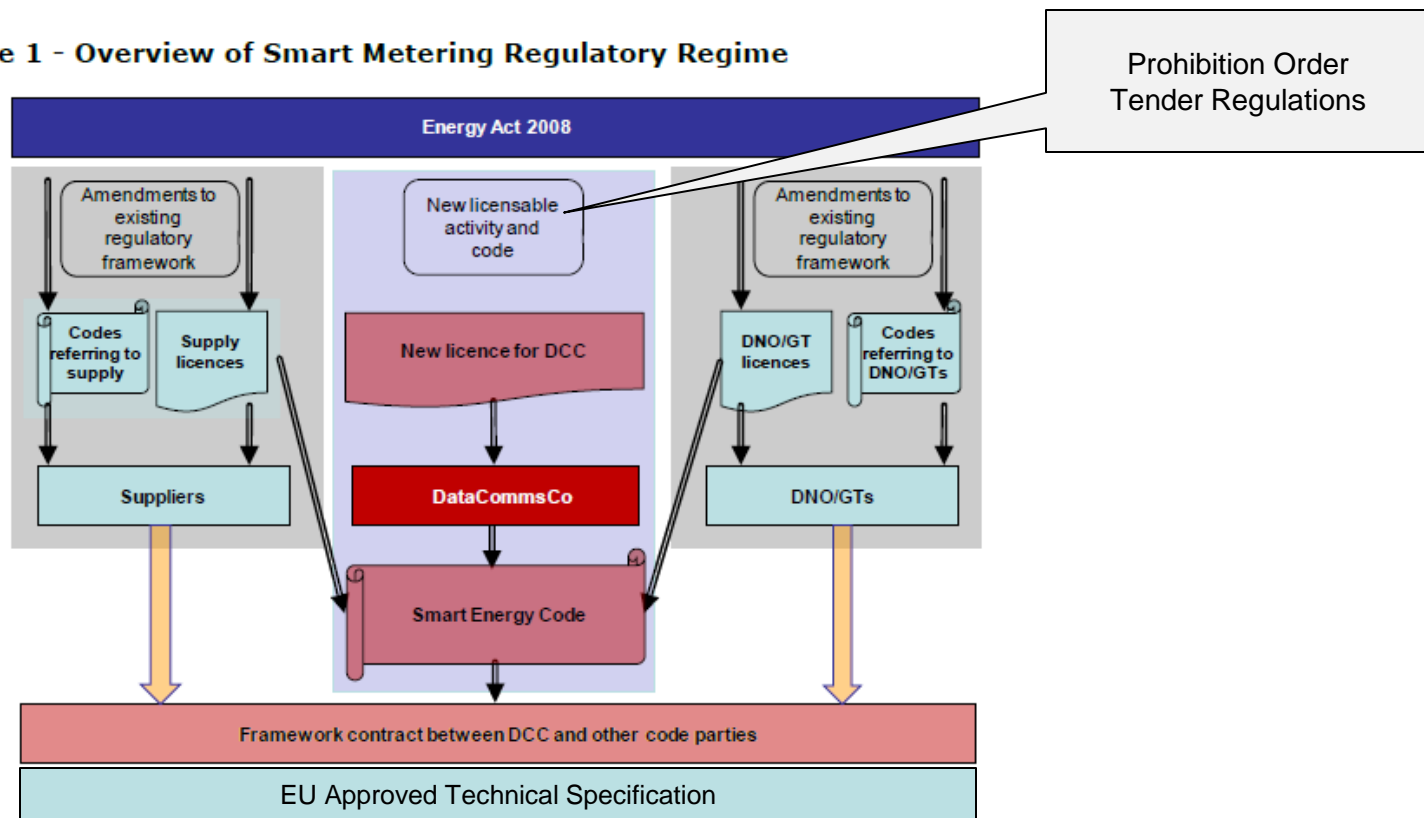
Figure 2 – Roll out profiles



Critical requirement is having regulatory framework which gives suppliers confidence to invest

## Components of the regulatory framework

Figure 1 - Overview of Smart Metering Regulatory Regime

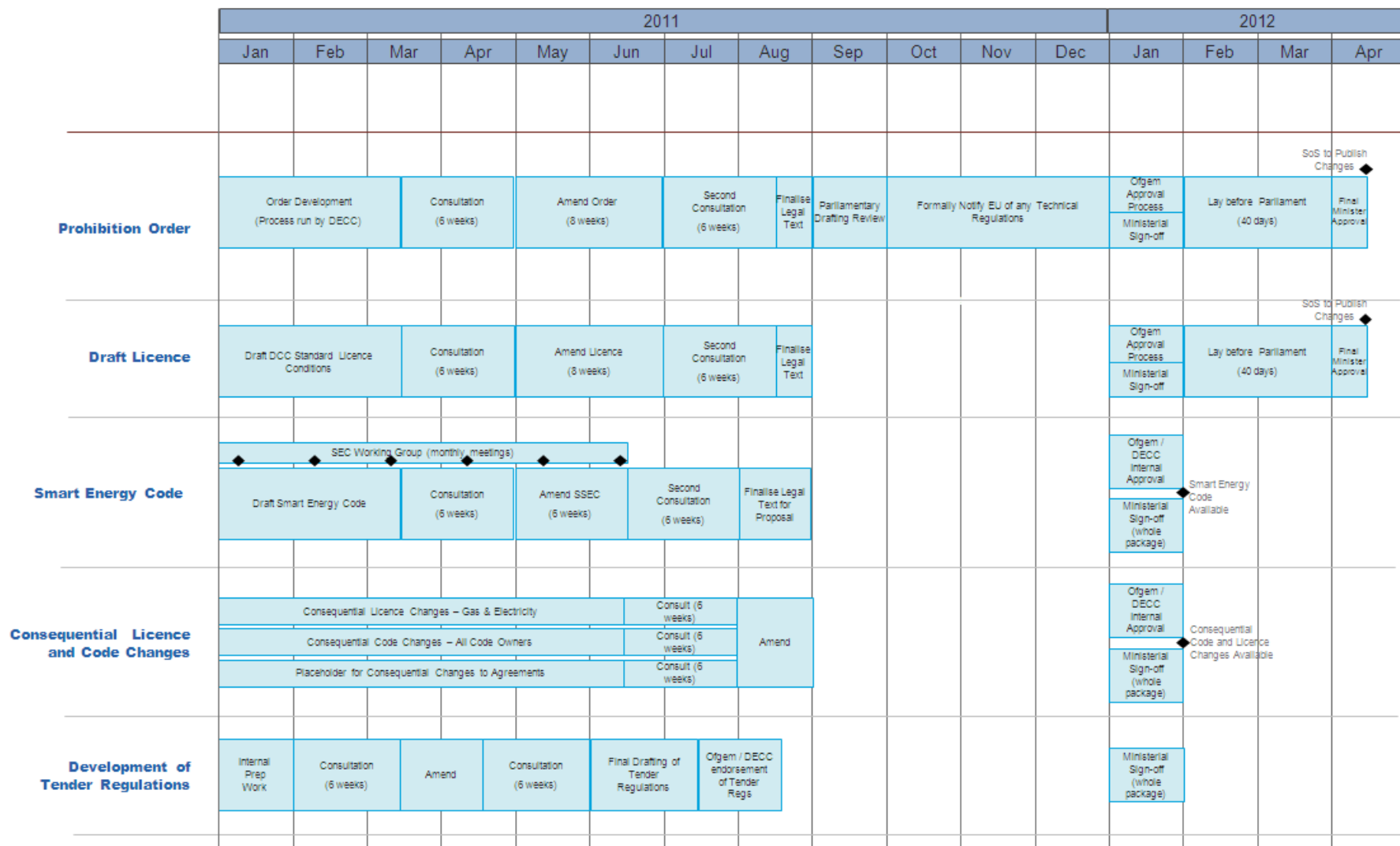


## Assumptions underpinning Phase 2 timetable (to April 2012)

	<b>Activity</b>	<b>Assumption</b>	<b>Time assumed</b>	<b>Cum.</b>
1	Drafting DCC licence, prohibition order, Smart Energy Code	Run in parallel – recognises inter-dependencies	10 wks	10
2	Formal consultation on instruments	Two consultations needed	6 wks each	22
3	Analysis of first consultation responses and re-drafting	Run in parallel across all instruments	8 wks	30
4	Analysis of second consultation responses and finalise legal text	Run in parallel across all instruments	2 wks	32
5	Parliamentary drafting process	Runs one month behind drafting and consultation	4 wks	36
6	EU notification and approval	All instruments count as 'technical specs' which are subject to EU approval	12 wks	48
7	GEMA and DECC Ministerial approval	Proceed in parallel	4 weeks	52
8	Lay instruments before Parliament	Licence and Prohibition Order proceed in parallel	40 days	60
9	Final Ministerial sign-off and publication by SoS	Licence and Prohibition Order proceed in parallel	2	62

Key planning assumption set by DECC/Ministers is for 'full package' approach to sign-off

## Timetable for Phase 2





The background of the slide is a composite image. On the left, there are rows of solar panels under a bright sun. On the right, a hand is shown holding a white document. In the bottom left corner, a blue gas burner is visible. The overall theme is energy and customer service.

*ofgem*

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for all gas and electricity customers