

Dora,

As requested please find attached some thoughts on options on how the obligation could be enacted :

- a. There is a major commercial driver to ensure that compliant assets installed during the interim period remain on the wall. It may therefore be adequate for suppliers to sign a MoU to participate in the interim processes or just to sign a multilateral agreement if this is the selected option.
- b. If voluntary is deemed to be inadequate but all suppliers are supportive of the change it may be possible to effect speedier industry code obligation. It would be helpful if any required system changes, e.g. identification of a meter as smart, could be handled separately and in advance of the code obligation. It may also be possible to include the obligation to use interim processes along with the obligation for suppliers to only install compliant smart metering systems from the specified date (Summer 2012)?

On options it may be worth capturing the "Do Nothing" option as the baseline. Under this option meters would be treated as dumb on change of supplier as currently occurs. This may be helpful in considering customer experience following change of supplier.

I thought it might also be useful to expand on the option where the incoming supplier appoints the same agent as the losing supplier. This has some distinct advantages as:

- The supplier / suppliers agent has already established the head end capability so there is no need to build an interim translation capability and a working communications path has been established so there should be no issues over transfer of communications contracts
- There would be no need to change existing industry data flows to deliver existing meter reading processes and so would enable AMR operation
- It should be possible for these arrangements to continue post DCC creation until a service is required that cannot be delivered by the agent. At this stage the meter could be adopted by DCC by fitting of WAN modem thus avoiding a mass migration of interim arrangements to DCC
- This arrangements could avoid the need for DCC to take over any interim arrangements at all hence saving DCC delivery cost and uncertainly

For this to work there would need a commercial agreement which should be independently drafted e.g. AMO and which should be subject to regulatory oversight; suppliers would enter the agreement with their agents to address

1. Ongoing MAP post COS
 2. Ongoing MOP addressing maintenance in particular communications failure
 3. Provision of a meter read
 4. The contracts could be bundled or separate but should be inclusive of communications charges
- This approach will need an industry change to show a meter as smart and a process to confirm status via ECOES.

Steve