

DCG_ Subgroup 3WS3:
Roles and responsibilities at the consumer premises

21 September 2010

Agenda

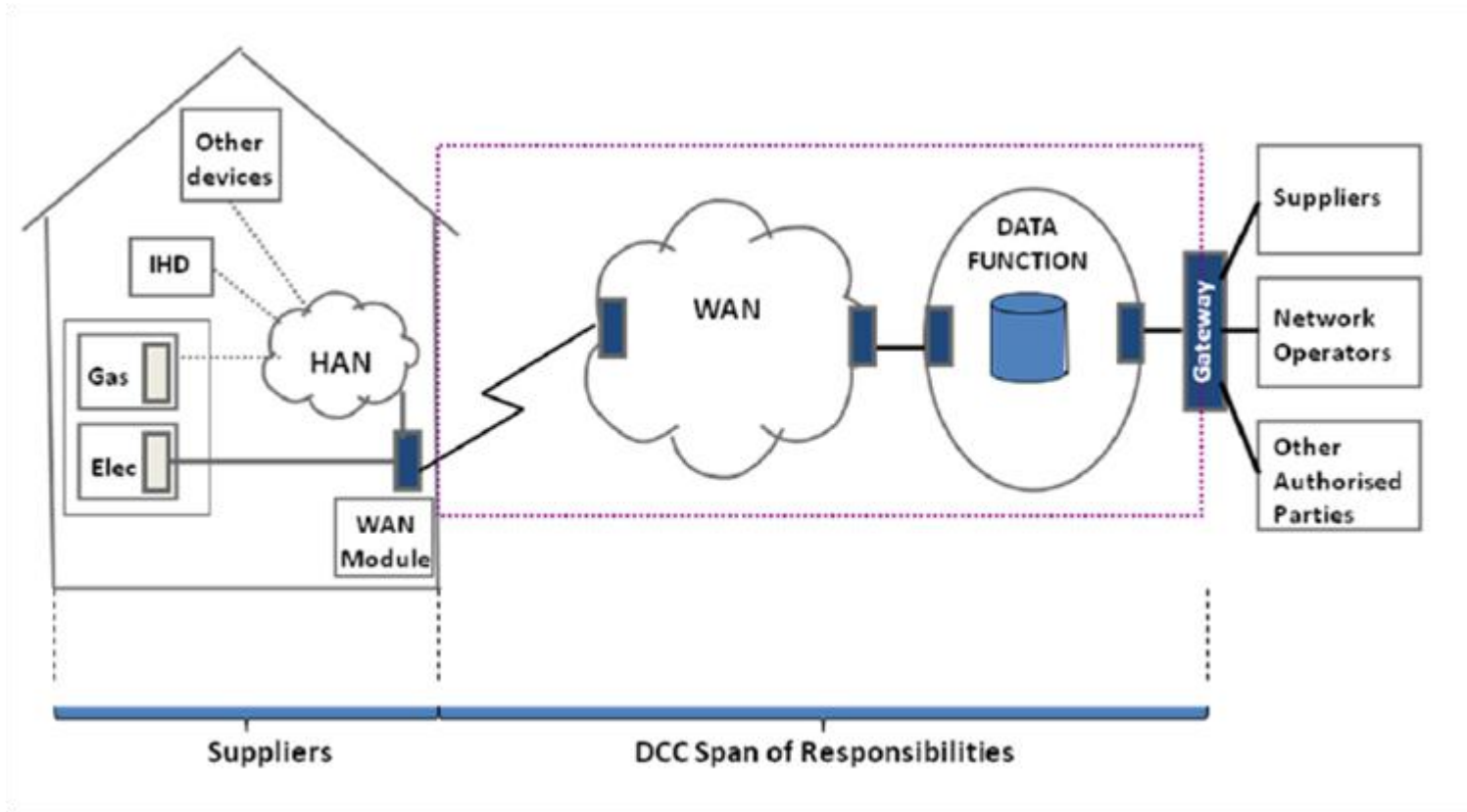
- **Introductions**
- **Terms of References**
- **Smart Energy Code proposal**
 - Gemserv presentation
- **Role and responsibilities at the consumer premises**
 - Presentation
 - Consideration of discussion document
- **Issues Log**
- **AoB**
- **Date of next meeting**

The background of the slide features a collage of images: a large white arrow pointing right, a close-up of a white ceramic faucet handle, a close-up of a blue ceramic faucet handle, and a close-up of a white ceramic faucet handle. The text is overlaid on this collage.

Roles and responsibilities at the consumer premises

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Roles and Responsibilities at the Consumer Premises



Premises Roles and Responsibilities

Up to six separate devices may be installed including:

- a smart electricity meter;
- a smart gas meter;
- at least one In Home Display Unit;
- Home Area Network
- A Wide Area Network communication module

On cost grounds it is desirable to have shared equipment in the consumer premises

Issues

There are two key issues regarding roles and responsibilities for shared equipment:

- **Issue 1:** Who is responsible for installation / maintenance of the WAN module; the DCC or Suppliers?
- **Issue 2:** Who should have enduring responsibility for shared infrastructure at the consumer premises?

Issue 1: Responsibility for the WAN module:

Arguments for Supplier Responsibility

- Aligns with Suppliers' presence at premises and relationship with consumer,
- Aligns with Suppliers installation and field maintenance activities,
- Exposes WAN module to competitive cost pressures,
- Provides continuity and easier transition from pre-DCC deployments,
- Allocated responsibility for risk of inventory loss or damage during rollout for the party that manages this risk,
- Financing mechanism with Meter Asset Providers could be extended to cover cost of WAN module.

Arguments for Service Provider Responsibility

- Aligns with Service Providers' understanding of technology risks,
- Procurement by Service Providers may be more effective due to economies of scale and greater buying power,
- No WAN module asset ownership change is needed when supplier change,
- Provides neutral basis for wider service development (water and other communications).

Issue 1: Evaluation against programme criteria Prospectus proposal

Consumer Impact

- One party responsible for the consumer relationship

Cost

- Supplier procurement leverages benefits of competitive framework
- However benefits to scale could be realised under the alternative

Timeframe

- No difference between the options

Benefits delivered

- No difference apart from single point of contact with customers

Risk

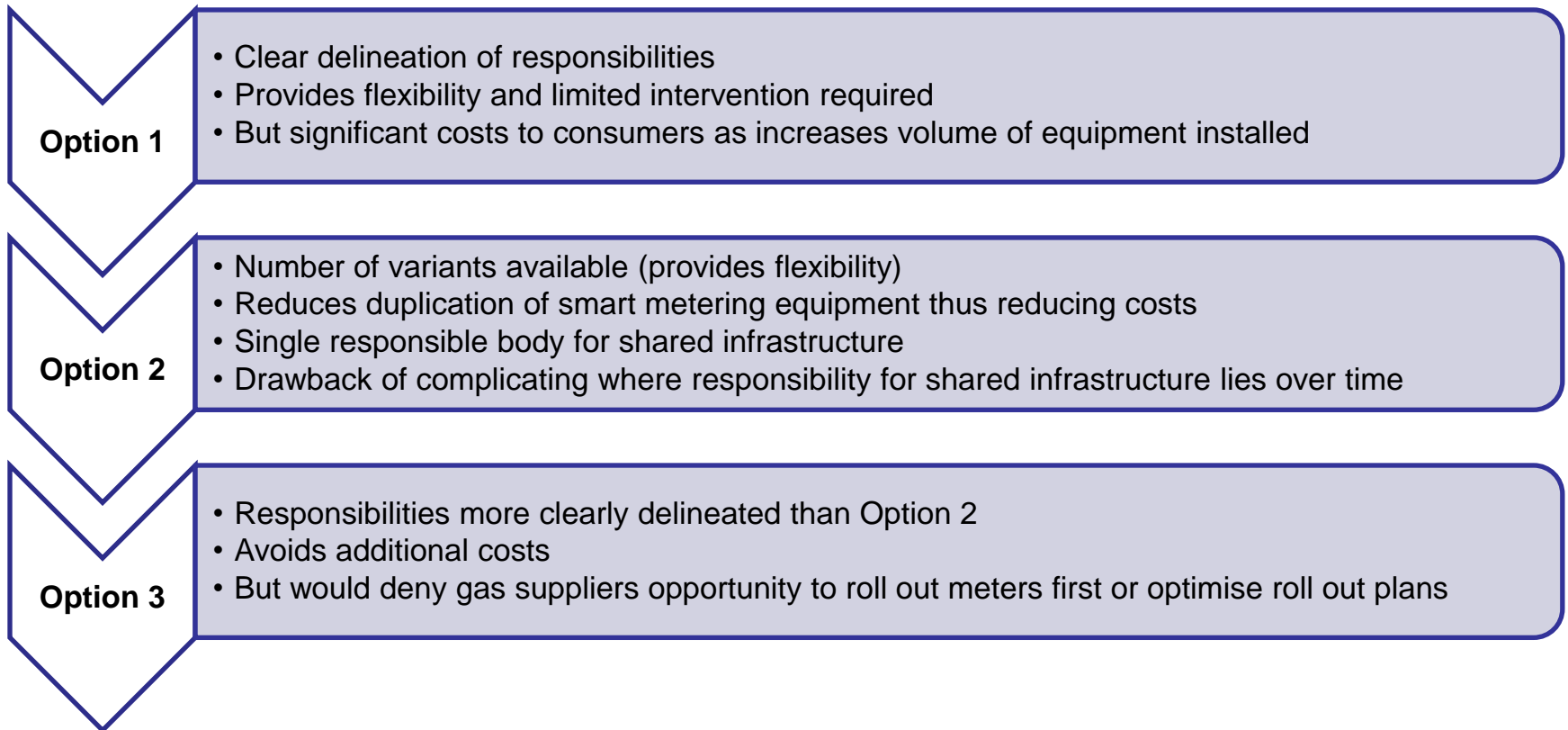
- Technical obsolescence risk require clear delineation of responsibilities

On balance, we propose that a supplier responsible for WAN module installation

Issue 2: Enduring responsibilities shared equipment

- Suppliers responsible for the installation and maintenance of smart metering equipment at the consumer premises.
- Which supplier should be responsible?
- Our Prospectus proposed three options:
 - **Option 1:** Separate smart metering systems are installed for each fuel. This would mean that the costs would be significantly higher.
 - **Option 2:** Arrangements are put in place that facilitate the sharing of assets installed by one supplier with the customer's other supplier.
 - **Option 3:** The electricity supplier will be required to install its smart meter and supporting systems in the customer premises ahead of the gas supplier.

Issue 2: Evaluation of options



On balance, we propose that Option 2 is adopted.

Summary proposals

In summary we suggest:

For enduring responsibilities: we propose that suppliers maintain the responsibility for the WAN module installation; and

For Delineation of responsibility between Suppliers and DCC: the Suppliers retaining the responsibility for the WAN module (and other smart metering shared infrastructure) as this will ensure that there is a single responsible body for the installation and maintenance of shared infrastructure and single interface with consumers

Questions and issues for discussion

- Do you agree with the proposals concerning the roles and obligations of suppliers in relation to the WAN communications module?
- Do you agree with the proposal that the WAN and the HAN in customer premises should be shared infrastructure, with the installing supplier retaining responsibility for ongoing maintenance?
- If not, would you prefer to have an arrangement by which if the gas supplier is the first to install, responsibilities for the common equipment is transferred to the electricity supplier when the electricity smart meter is installed?
- What set of arrangements could be adopted for identifying the detailed obligations and responsibilities of energy suppliers, the DCC and its service providers, and how these would apply in the new Smart Energy Code?



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