

To: **Members of the DCP 235 Working Group**

DNO Position on DCP 235 - Provision of Service Termination Equipment Information

DNOs pursued DCP 235 on the following basis:

- That the smart meter roll out provides a unique opportunity to collect the asset data in a very short timescale;
- That the likely costs to suppliers would be negligible as they are required to visit site to complete the meter change; and
- That there would be a good chance that these negligible costs could be absorbed by suppliers for the benefit of customers.

Indications from the supplier responses received during the DCP 235 consultation were that supplier costs are likely to be substantial due to training requirements, IT solution development and additional time required on site to assess and capture that data required. Although these initial estimates are open to challenge we are now of the view that the costs to suppliers are now likely to be material.

At the DCP 235 meeting on 24<sup>th</sup> June, and in their subsequent email, Ofgem gave a strong indication that the cost of providing the asset information should lie with the beneficiaries which in this case will clearly be the DNO.

The majority of DNOs have not included any allowances for service termination asset information collection in their RIIO ED1 business plans which are in effect until 31<sup>st</sup> March 2023.

At the ENA Service Termination Issues group meeting on 14<sup>th</sup> July 2015 DNO's revisited the potential benefits from receiving the asset information data from suppliers during the smart meter roll out. DNOs are assessing/preparing systems/processes to accommodate the storage of the new asset information data. DNOs will not visit sites specifically to collect service termination asset information as this is cost prohibitive but they plan to collect the asset information on an ongoing basis whenever they visit site for any other reason.

The major benefit to DNOs from suppliers collecting the asset information data is that the information would be collected in 5 years of the smart meter roll-out rather than over a much longer period of DNO site visits. DNOs have concluded that the benefits to them from receiving the information much earlier is very unlikely to outweigh the likely costs to suppliers in providing it. DNOs have therefore collectively taken the decision not to pursue DCP 235 and to continue with their own plans for asset data collection and also to explore other ways of improving their service termination asset information.

Regards  
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