



Making a positive difference
for energy consumers

DCUSA Panel Chair, DCUSA Panel,
Electricity Distribution Network
Operators, Electricity Suppliers and
other interested parties

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Dear Panel Chair

Direction to revise and resubmit DCUSA modification proposal DCP204 'Smart Metering Related Amendments to Schedule 8'

On 20 May 2015, the DCUSA Panel submitted modification proposal DCP204 (Smart Metering Related Amendments to Schedule 8) to us for approval.

We have decided that we cannot form an opinion on DCP204 based on the Final Modification Report (FMR) as submitted. We are therefore sending the proposal back to industry for further work. We have identified the following deficiencies in the FMR –

- 1) It does not provide an indication of the costs and benefits of continuing the current time switching and load switching arrangements through smart meters in the manner proposed. There is no evidence to indicate the costs and benefits of implementing and running the new regime (ultimately by suppliers) compared to the potential costs and benefits of Distribution Network Operators (DNOs) reinforcing the network.
- 2) The modification proposes to extend the regime to all smart meters, not just those in Load Managed Areas (LMAs). The FMR does not justify why this is considered necessary and does not present the potential benefits of this approach.
- 3) The modification proposes a minimum randomisation offset limit¹ of 600 seconds (10 minutes). The FMR states that this value has been chosen from industry and System Operator consultation but does not justify the benefits or provide reasons to support this approach.
- 4) It lacks information on how the risk of customer confusion due to the impacts of randomisation on switching times can be mitigated.

We are also concerned about supplier engagement with this modification. The FMR noted that only four suppliers responded but all suppliers will need to understand the implications of DCP204. From the participation of only two suppliers in the voting due to apparent late voting from some suppliers, we are concerned that suppliers may not have engaged sufficiently with DCP204.

¹ means, in relation to a Smart Metering System, a value in seconds in the range of 0 to 1799. This value is used to delay the tariff switching table times and the Auxiliary Load Control Switch switching times.

We therefore direct that steps are undertaken (including sending the proposal back to the DCP204 working group for further consideration and/or undertaking further consultation if it considers this appropriate) to address these concerns. A revised FMR should –

1. Indicate the costs and benefits of continuing the existing regime through smart meters in the proposed manner. The FMR should indicate how consumers will be better off with this proposal.
2. Present the benefits and reasons for rolling out the randomisation functionality to all smart meters as opposed to just those in LMAs.
3. Justify and describe the benefits of having a minimum randomisation offset limit of 600 seconds (10 minutes) as opposed to another limit.
4. Describe how customer confusion from randomised switching times can be avoided. This should be backed up with information on the potential benefits to consumers through these new arrangements, for example the potential for better information for customers.

We would also like the DCP204 working group to demonstrate effective engagement with suppliers. Although this is not fully within the control of the group and they have tried to engage throughout this process, we recognise the impacts on all suppliers. We would like some level of comfort that suppliers are aware of the potential impact of this modification on them.

After addressing the issues discussed above, and revising the FMR accordingly, the Panel should re-submit it to us for decision as soon as practicable.

Yours sincerely,

Andrew Burgess

Associate Partner, Smarter Grid and Governance

Signed on behalf of the Authority and authorised for that purpose