

<b>Issue Form - BSCP40/04</b>	<b>Issue Number: 53</b> <i>(mandatory by BSCCo)</i>
<b>Issue Title</b> <i>(Mandatory by originator)</i>  <b>Reforming the Change of Supplier meter read process for smart electricity meters</b>	
<b>Issue Description</b> <i>(Mandatory by originator)</i>  <p>Under the current Change of Supplier (CoS) process, the Non Half Hourly Data Collector (NHHDC) appointed by the gaining ('new') Supplier is responsible for determining the CoS reading, on behalf of both the new and losing ('old') Supplier. Where the new Supplier's NHHDC and Meter Operator Agent (MOA) are different to those appointed by the old Supplier, the old MOA transfers Meter Technical Details (MTD) to the new NHHDC, via the new MOA, to enable the new NHHDC to interpret readings correctly. The old NHHDC transfers a reading and Estimated Annual Consumption (EAC) to the new NHHDC to allow the new NHHDC to validate the CoS reading (or to deem a reading, where no valid actual reading is available). The transfers of MTD, readings and EACs are, in turn, dependent on:</p> <ul style="list-style-type: none"> <li>• new agents (MOA, NHHDC and Non Half Hourly Data Aggregator (NHHDA)) being appointed by the new Supplier</li> <li>• old agents being de-appointed by the old Supplier</li> <li>• new agents being notified of each other's identities by the new Supplier; and</li> <li>• request flows.</li> </ul> <p>The process for determining a CoS reading is complicated. It depends on multiple information flows and is prone to error, when any of these information flows are not sent or cannot be processed by the recipient. Delays and failures in the process can result in inaccurate data, impacting both Settlement and customer billing. The costs of resolving these delays and failures are borne by Suppliers, agents and ultimately consumers.</p> <p>With the advent of the Data and Communication Company (DCC) the new Supplier will retrieve the CoS reading from the smart meter via the DCC and pass it to the new NHHDC for validation. In order to process the closing reading on behalf of the old Supplier, the new Supplier will need to request the old Supplier's configuration from the meter via the DCC or via the old Supplier's MOA, in addition to (optionally) downloading its own configuration to the meter. The new Supplier may need final reading(s) for the old configuration and initial reading(s) for the new configuration. In order to validate the final and initial readings, the new NHHDC will need both the old and new configurations. The CoS process for smart Meters could therefore be more complicated than for traditional Meters, given the ease with which the new Supplier will be able to reconfigure the smart Meter on the CoS date (i.e. to support a new tariff).</p> <p>Ofgem has written to the Panel (12 December 2013) to raise support for what it views as a positive reform to the Change of Supplier process for CoS meters and to express support for the setting up of an Issue Group to progress the reform. Ofgem would welcome a progress report from the Issue Group by the end of March 2014.</p>	

**Justification for Examining Issue** *(Mandatory by originator)*

Smart Meters and the advent of the DCC have the potential to add further complexity to a process that is already complicated. But they also offer the opportunity to simplify the CoS reading process, by reducing the dependency on MTD and reading history transfers (interfaces which are subject to performance and data quality problems), as described in the 'Potential Solution(s)' section below. Reducing the reliance that Suppliers and their agents need to place on their market competitors should result in a more efficient CoS process, with more accurate and timely Settlement data.

Ofgem's Change of Supplier Project, a workstream within its 'Promoting smarter energy markets' work programme, has the objective of delivering "a fast, reliable and cost effective change of supplier process that will facilitate competition and build consumer confidence". Ofgem has engaged with a range of stakeholders through its Change of Supplier Expert Group (CoSEG) and identified a number of reform options, including reducing the reliance of the CoS process on data transfers and agent appointments/de-appointments. Ofgem considers that this area of reform should be progressed now, through existing change control mechanisms, rather than waiting for the outcome of its consultation on CoS reform options, which is planned for March 2014.

**Potential Solution(s)** *(Optional by originator)*

The DCC processes will enable the old and new Suppliers to separately poll the smart Meter to retrieve the closing and opening read(s) respectively. The new Supplier will also be able to reconfigure the smart Meter on CoS, including setting any time of Time of Use registers to zero. The proposed BSC solution will require the respective Suppliers to take their own closing/opening reads and the new Supplier to configure the smart Meter. This will allow readings to be obtained and the closing readings validated in shorter timescales without the immediate need for the transfer of MTD and reading history from the old to new agents. This in turn should remove dependencies on the agent appointment and de-appointment processes, such that delays in these processes do not impact the delivery of the closing and opening reads.

In developing a detailed solution, consideration will need to be given to –

- Ensuring that the closing and opening meter reads (taken by the old and new Suppliers respectively) and re-configuration by the new Supplier are choreographed to guarantee that the closing readings are available to the old Supplier;
- Enabling the old and new Supplier and their NHHDCs to validate and process readings in such a way as to prevent double-billing or under-billing to the detriment of the consumer and Settlement accuracy, e.g.:
  - Ensuring both the old and new Supplier know which read (e.g. Supply Start Date (SSD) midnight read) they will need to retrieve to act as the closing and opening read
  - Specifying how the total cumulative reading can be used to identify and reconcile discrepancies between closing and opening reads
- Specifying how the new Supplier can obtain any additional information needed for the CoS read (for example information on auxiliary load switches) in a timely and efficient manner, given the expectation that new processes facilitate retrieval of the CoS meter read on (or failing that as close as possible to) SSD and given the wish to avoid burdensome dependencies;
- Ensuring that information required by the new Supplier and agents for subsequent (i.e. post-CoS) meter reads and customer and settlement billing (for example meter location, Meter Asset Provider and test dates), can be obtained in appropriate timeframes;
- Ensuring that appropriate exception management processes are in place to guarantee an acceptable CoS meter read for customer and Settlement billing, for example when communications are unavailable on or around the CoS date;
- The applicability of new processes to smart and advanced NHH Meters which are not serviced by the DCC;
- How the Notification of Old Supplier Information ("NOSI" / D0311) flow could be used to support the proposed processes; and
- Issues arising from the parallel running of smart and non-smart CoS processes.

**Proposer's Details**

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