

Smart Metering Implementation Programme – Regulation  
Department of Energy and Climate Change  
Orchard 3  
Lower Ground Floor  
1 Victoria Street  
London  
SW1H 0ET

21<sup>st</sup> August 2014

Dear Sir/Madam,

**A Consultation on New Smart Energy Code Content (Stage 4) and consequential / associated changes to licence conditions**

With regards to the above referenced document we would like to take this opportunity to provide comment on a specific area of the consultation primarily concerning the provisions for non-domestic opted out suppliers and their potentially detrimental impacts on those suppliers who have chosen to opt in. Opus Energy is an independent energy supplier providing electricity and gas to over 180,000 non domestic customers.

**Part B: Section 13 Communications Hub Charging**

Question 60 – Do you agree with the proposed legal drafting on Communications Hub charging following removal and/or return?

**Response:** We do not agree. The proposal concerning communication hub asset charging ‘where a supplier opts a meter in non-domestic premises out of the DCC, the remaining asset cost will be smeared across the Suppliers with non-domestic meters that are enrolled with the DCC’ will place an opted in non-domestic supplier at a distinct financial disadvantage.

The opted in supplier is paying the asset charge for any opted out CH until such time as it is reconditioned and presumably reinstalled/delivered (although this not clearly stated in the proposals) - essentially penalising opted in suppliers who have no control over their opted out counterparts and therefore no control over the volume of communications hubs they will be paying for over any given period.

We believe that as an opted in non-domestic supplier, we should not be required to pick up any charges which are as a result of a non-domestic supplier choosing to opt out. We’d also like to provide the view that we believe use of the DCC should be mandated for **all** suppliers – the option to allow non-domestic suppliers to choose to operate outside of the DCC and the associated issues with interoperability and loss of smart functionality seems to be a backwards step from delivering the benefits of smart metering to small businesses as well as households. We would urge DECC to give further consideration to mandating opt in for non-domestic suppliers in order to avoid increasing the

cost to serve non-domestic smart metering which is detrimental to both the customer and to competition within the market.

We are aware that the non-domestic opt in/out processes has not yet been fully clarified and further consultation is planned - SEC4 was expected to deliver many of the resolutions. We are concerned with the piecemeal way in which some of the issues are being addressed particularly where there appears to be financial ramifications for either party and would again ask that DECC consider their position on non-domestic use of DCC services.

If you would like to discuss this further please feel free to contact me.

Yours sincerely,