

## Your response

Question	Your response
<p><b>Question 1: Do you agree with our provisional conclusion that there is likely to be excess demand for the 412MHz band in future and that therefore an AIP fee is appropriate? Please provide any evidence to support your position.</b></p> <p><b>Question 2: Do you agree with our provisional conclusion that UK-wide exclusive Business Radio is the highest value alternative use for the 412MHz band? Please provide any evidence to support your position.</b></p>	<p>Confidential? – N</p> <p>No specific knowledge on this issue, but from the trajectory of the water industry alone, I would expect an increase in demand.</p> <p>Confidential? – N</p> <p>Yes, in consultation with our network comms provider Arqiva we understand and recognise the case for an annual licence fee</p>
<p><b>Question 3: Do you agree with our provisional conclusion to set the annual licence fee for 412 MHz equal to the Business Radio UK-wide fee for high usage bands? Please provide any evidence to support your position.</b></p>	<p>Confidential? – N</p> <p>We feel it is crucial that any fee is set at a level that does not slow down or restrict the roll-out of smart meter technology in the water sector or disadvantage the users of the 412 MHz spectrum relative to alternative technologies.</p>
<p><b>Question 4: Do you agree with our provisional conclusion that fees set based on our estimate of market value will best meet our statutory duties?</b></p>	<p>Confidential? – N</p> <p>No specific knowledge on this issue, but please refer to my response to Q3</p>
<p><b>Question 5: Are there any other comments that you wish to make in respect of the proposals that we make in this consultation?</b></p>	<p>Confidential? – N</p> <p>The water sector is at an early stage in adoption of smart metering. Early evidence from trials and rollouts across the industry show that smart metering is a key solution to achieving reduced leakage and water consumption. These savings are vital to secure future water supplies, reduce carbon emissions and protect the environment. We would not want these positive outcomes to be put at risk.</p> <p>This concern is based on the likely passing on of these charges to clients in the water sector, resulting in either increases in costs to deliver</p>

smart metering programmes or an inability to successfully build a business case to deliver.

As take up of smart metering by the water sector is gradual, one option (as per point 4.31 in the consultation document) that could be considered is to phase in the charge and gradually increase it, ensuring that charges are set at a sensible level reflecting the actual demand to help avoid the risks highlighted above