



Smart Metering Implementation Programme
Regulation Team
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Consultation on Stage 4 of the Smart Energy Code

We are pleased to provide comments on the above consultation on behalf of the following licensees:

- SSE Energy Supply Limited
- Southern Electric Gas Limited
- South Wales Electricity Limited
- SWALEC Gas Limited
- Scottish Hydro Electric Power Distribution plc
- Southern Electric Power Distribution plc
- SSE Pipelines Limited
- Scotland Gas Networks plc
- Southern Gas Networks plc

We welcome the ongoing engagement with the Smart Metering Implementation Team and have provided answers to the specific questions posed by DECC in the attached annex.

We look forward to the timely conclusion and designation of content for the SEC Stage 4, where there are obligations that will result in Parties needing to design and develop new processes and systems.

Please call me if you have any questions.

Yours sincerely

Annex – Consultation Questions

Please note the inclusion of terms we believe are missing from the SEC 4 Legal Drafting at the end of the Consultation Question Answers.

Communications Hubs

1. Do you agree with the requirement for the DCC to consult SEC Parties on future tranches of Communications Hubs procurement?

We support the requirement for the DCC to consult with SEC Parties on their approach to the future tranches of Communications Hubs. Robust consultation will be essential to the successful provision of Communications Hubs. This will ensure that the DCC procures Communications Hubs which meet the developing requirements for installation in as many property types as possible. It will be key for Parties, in the full understanding of forecasting and ordering changes along with the usage and feedback via CHOS relating to delivery and quality.

It is imperative that DCC procures dual-band ZigBee (2.4GHz & sub-GHz) as soon as that technology is proven. This is expected to significantly increase the number of properties where robust first time installations will be possible. Similarly the DCCs active support will be required to facilitate implementation of the most likely ZigBee/PLC bridge technologies.

We welcome the possibility of early involvement in the development of the legal drafting around this. We also welcome clarity on the Indicative Costs, and seek the inclusion of further detailed text in the drafting for SEC 4.

We are concerned that there appear to be no requirements on the DCC to prove the quality and provide assurance of the Communications Hubs.

2. Do you agree with the proposed approach to allow SEC Parties (which will include MOPs) to forecast, order, take delivery and return uninstalled Communications Hubs?

Yes, we are in agreement with the recognition that other SEC Parties may wish to order and accept Communications Hubs, thereby allowing SEC Parties to determine which option best fits their rollout plans. However, we seek assurance from the legal drafting that the Registered Supplier Agent (RSA) is solely responsible for meeting the relevant obligations of being a SEC Party, and that payment and liabilities remain with that RSA, rather than passing on to a Supplier.

We believe it is essential that where Suppliers contract with RSAs to place the orders, that the accuracy of forecasting and order submission should fall on to that RSA. Any resulting financial impacts should be handled through the relevant Supplier-RSA contracts, rather than being socialised across the Supplier community.

We note that this may result in additional complexity regarding the administrative processes for the DCC and as such, will need careful management.

3. Do you agree with the proposed approach and legal drafting in relation to the development of the Communications Hub Support Materials?

We are supportive of the approach and legal drafting. We do however seek confirmation of when we can expect to receive the finalised CHSM, prior to the initial forecasting and ordering of Communications Hubs. It is also essential that appropriate change control mechanisms are in place for these materials, to ensure that we can effectively amend where we learn from the roll-out experience.

We also feel further alignment is required between the two Communications Service Providers, in terms of the processes to be followed.

In section F5.5, sub-paragraph (b), the term CH Ordering System (CHOS) has been defined, however this is at variance with the term used within the DCC produced documents "Ordering Management System (OMS)". We seek clarification on when the terms will be aligned across the SEC and the support materials.

4. Do you agree with the proposed approach and legal drafting in relation to forecasting of Communication Hubs?

We are broadly in agreement with the proposed approach and legal drafting in relation to forecasting of Communications Hubs. It should be understood that there is likely to be a greater level of difficulty in assessing requirements through ILO until stability is reached with the end to end processes and components. The DCC will also have to provide detailed Device Models by postcode in the initial coverage areas by end of November 2014 to enable Suppliers to produce the first forecasts. It is therefore anticipated that orders may fluctuate in the early months, to manage the situation as it transpires.

Suppliers and their RSAs should improve their forecasts with experience and as greater stability is achieved. We believe that there will be a key role for DCC to play during this phase, as they will have oversight of the overall ordering process. It will be essential that DCC manage the situation as it transpires and work with the CSP and its capabilities to flex the orders, with Supplier agreement. We suggest that the tolerances could be managed centrally through a CSP buffer stock, rather than at individual Party level.

We seek clarification on several points set out in the Consultation Document:

- In the Consultation document, paragraph 47, bullet 2, regarding the coverage of a rolling 24 month period. We would like to see further explanation on the process for updating June 2015 to September 2015, as these forecasts will move out of the 6 month after the month the forecast was submitted.
- In the Consultation document, paragraph 52, bullet 5, Auxiliary equipment. Will there be any data provided on the likely split and BoM.
- In the Consultation document, paragraph 55, will the standard pallet delivery now be aligned across the two CSPs?

5. Do you agree that forecasts that are submitted from the tenth month before a delivery month should include the number of device models to be delivered in that month in each region, and these should be subject to the specified tolerance thresholds outlined below.

We are broadly supportive of the proposals regarding the forecast submissions, although we believe there needs to be sufficient flexibility in approach during the early stages of mass roll-out. Initially, the accuracy of our submissions across Device Models will be dependent on the accuracy of the postcode coverage provided to us by the CSPs to enable us to accurately identify where we are likely to need to utilise a particular model.

We therefore suggest that the tolerances relating to Device Model should be applied after ILO. This will correspond to the phase when increasing volumes will be required and as a result, there will be a greater impact on order volumes and manufacturing lead times. A potential opportunity to revise the forecasting tolerances will be at the point of introduction of the dual band communications hub. Until then, ordering against Device Models will to some degree be subject to CSP guidance and therefore the element of risk should be borne by the CSP.

6. Do you agree with the proposed approach and legal drafting in relation to ordering of Communications Hubs?

We are broadly in agreement with the proposed approach and legal drafting in relation to ordering of Communications Hubs. Whilst we agree that the proposed 'tolerances' seem sensible, we would suggest that there should be flexibility during ILO. We believe that Suppliers will need to understand the actual performance and deployment rate of the CSP different models of Communications Hubs, before they are able to make a 'variant based' forecast ten months before the delivery month.

We seek clarification on where the obligations will be placed on DCC to ensure that Parties are provided with postcode coverage areas and required Device Models, with a notice period of at least twelve months prior to the Communications Hubs delivery month. We note that the DCC will be best placed to manage the change to alternative Device Models becoming available, such as the dual band hub, as they will have oversight of the process and the relevant timelines.

In section F5.13, sub-paragraph (c), we would seek clarification on the reference to section F5.9. We believe that as this drafting refers to the minimum aggregate Delivery Quantity, that the reference should be section F5.11. We would suggest that there is an obligation placed on DCC to notify a Party that an order equal to the minimum aggregate delivery quantity is to be placed.

In section F5.19, the legal drafting sets out obligations on applicable charges that would be payable by a Party should an order be cancelled. We would seek clarification on the terms that will be used to formulate these applicable charges.

We believe that further legal drafting is required to set out the details for new replacements of Communications Hubs in the event that a Party rejects a delivery. We seek clarification on the recourse with DCC where a significant delivery is rejected and as a result, has a material impact on deployments. In particular, the recovery activities that may have an impact on subsequent orders that may therefore be outside of the allowable 'tolerances' based on previously submitted forecasts.

7. Do you agree with the proposed approach and legal drafting in relation to delivery and handover of Communications Hubs?

We are in general agreement with the proposed approach and legal drafting in relation to delivery and handover of Communications Hubs.

In section F6.7, we note that confirmation by a Party that the order is compliant must be made within five days, we seek clarification that this is five working days and that the legal text will reflect this.

We seek clarification from the Consultation document, paragraph 68, that where a Party rejects Communications Hubs, does the ownership transfer to the Party as we note that the risk of loss/destruction or damage transfers does not return to DCC until such time as loading has commenced/finished.

8. Do you agree with the proposed approach and legal drafting in relation to installation and maintenance of Communications Hubs?

We agree with the proposed approach in general. However, we would seek clarification on several points.

In section F7.5, we note that this is the first reference seen regarding the DCC attending a customer's property. We seek clarification on:

- How we will gain assurance that DCC field agents have received appropriate training in the relevant regulatory, legislative and governance obligations associated with site visits.
- How will the appointments be booked, is that via the Supplier or direct between DCC and the customer.
- Visibility of appointments and mechanism of confirmation to the customer.
- Guaranteed Standards – does this apply to these appointments and how would compensation be paid in the event of an appointment failure.

In section F7.6, we seek clarification on the consent and the explanatory narrative that would accompany it to enable the customer to give informed consent. We believe this would need further instruction provided via the Communications Hubs Support Materials, and this should be consulted upon with SEC Parties.

In section F7.7, sub-paragraph (c), we seek clarification on the liability in the event of damage to a customer property or not acting in compliance with Laws and/or Directives applicable to the Supplier Party.

In the Consultation document, paragraph 74, we are not supportive of Suppliers needing to purchase their own auxiliary equipment (such as flying leads/hot shoes) as we believe this may lead to becoming a source of dispute, where a fault is subsequently identified.

9. Do you agree with the proposed approach and legal drafting in relation to removal and returns of Communications Hubs?

We agree with the proposed approach and legal drafting in relation to removal and returns of Communications Hubs.

In section F8.6, we seek clarification on whether the return of a removed Communications Hub within 90 days relates to working or calendar days.

In the Consultation document, paragraph 82, we would suggest that returns are collected by the DCC, when delivering stock, rather than having a greater number of Lorries in transit and increasing the carbon footprint.

10. Do you agree that there should be an obligation for the first installing supplier in a dual fuel premises to take all reasonable steps to install a Communications Hubs that would work with both the smart meter that it is installing and the smart meter of the other fuel type?

We are supportive of the proposed legal text. However, it will be up to each Supplier to make a responsible selection for Installation Rollout plans, whilst balancing customer demand and their own plans, in order to meet their Licence Conditions. Therefore we would like to note that there will be a period of time where in meeting customer demand/rollout, there could be Communications Hubs that will need to be replaced.

11. Do you agree with the Government proposals in relation to the processes to determine the reasons for early return of the Communications Hubs?

We agree that on balance the proposals to determine the reasons for early return of the Communications Hubs seem reasonable.

We would seek clarification on the table set out in consultation document, paragraph 94. We have concerns that the cost of site visits are not compensated for as set out in table rows 4, 5 and 7. We believe that given the likely size of batches or deliveries, this will result in a material cost for larger suppliers and has an impact on deployment and therefore the 'tolerances' of previously submitted forecasts.

We do not agree that mesh replacements cannot fall into Category 'DDC C', as set out in table row 6.

We seek confirmation that the DCC will create a list of Reason Codes for Return, to be used by the Supplier.

In the Consultation document, paragraph 95, bullet 1, we seek clarification on the definition of "reasonably possible", is this anticipated to be a day, week, month?

12. Do you agree with the proposed approach and legal drafting in relation to the transitional requirements for Communications Hubs forecasts and orders?

We agree in principle with the proposed approach and legal drafting.

We would like to see an obligation for the DCC to issue;

- The coverage map (80%) by beginning October 2014 and,

- The Device Model (at postcode level) by end of November 2014, so if further detail is required in the first Communications Hubs forecast, we will have the appropriate information.

We suggest that DCC should issue monthly updates of forward view of when further coverage will be available by postcodes. Up to the end of 2016 this should be a quarterly forward view, after 2016 this could become six monthly periods.

We would also like to see the time-line expanded such that it sets out the transition and enduring forecasting and ordering requirements.

Consequential Changes to the DCC Licence

13. Do you agree with our proposed changes to the DCC Licence to require the DCC to offer services to non-SEC Parties where required to do so under the SEC?

We are generally supportive of the proposed changes. We are concerned that the required work to offer services to non-SEC Parties may affect the resources on the work DCC is completing for SEC Parties.

14. Do you agree with the proposed approach and legal drafting in relation to the provision of Communications Hubs for testing?

We agree in principle with the proposed approach and legal drafting. However, we note the points below

In section F10.2, sub-paragraph (c), the legal drafting states Test Communications Hubs shall “not be (or be capable of being) Commissioned”. We seek clarification that the intent of this is to ensure Test Communications Hubs are not able to be commissioned on the live service; however they can be commissioned on the test service. Therefore, we believe the legal drafting should reflect this intent, in terms of stating the specific restrictions.

In section F10.4, we note that there is a risk of delay to ILO if Test Communications Hubs are not provided to Parties until the beginning of End-to-End Testing. Early access to such equipment is essential to give confidence that the equipment included in the Home Area Network is interoperable. However, we recognise that testing of the Communications Hubs may still be dependent on the timely availability of the Automated Testing of GBCS (ATG) tool.

Security Governance and Assurance and Privacy

15. Do you agree with the legal drafting in relation to Security Governance?

We agree with the legal drafting set out for the Security Governance. We would seek clarification around the involvement of Government Security Experts, where CNI issues occur.

We note a few legal drafting inconsistencies, and seek further confirmation on their interpretation;

- Where SEC Section A Definitions now sets out a Device Specification, should there be an amendment to the definition already implemented for Technical Specification to now include the new Device Specification.
- All references should be to the defined term “Security Obligations and Assurance Arrangements” (D6.8 (f) (i)).

We have a concern regarding the standards and implementation of the governance arrangements in an operational environment across the SEC Parties. We would seek clarification on whether there will be an Operational Working Group established to establish industry practices.

We also see there being benefit in utilising this group to:

- Establish formal models that will enable Parties to translate this into views that support the practical implementation,
- Provide a route to share information more readily and establishing a library of Good Industry Practice that could become Guidance documents managed by SECAS.

15a. Do you agree with the Governments proposals in relation to Security Assurance? In particular on:

- the proposal for the Sec panel to procure a central CIO on an initial basis;
- the proposal for Users to meet the costs of security assessments that are undertaken at their organisation;
- the proposal for a three year rolling cycle of security assessments to be used to provide assurance on Users;
- the process for identifying and managing non-compliance;
- the assessment arrangements proposed for DCC.

We agree with the proposal for the SEC Panel to procure a central CIO on an initial basis. We are supportive of using the same organisation for the security and privacy assessments as there will be synergies and therefore cost savings that can be made.

We agree that the Users should meet the costs of security assessments that are undertaken at their organisation.

Whilst we understand the proposal for the three year rolling cycle of security assessments, we believe that the ISO27001 certification could enable there to be a Full Assessment in year one, with a Verification Assessment in years 2 and 3. We feel that a proportionate assurance would be for Suppliers to have re-assessment, where the Supplier identifies material changes to their systems/processes, or where a non-compliance element has been identified. We support the implementation of the same regime for all Users to reflect the risk level.

We fully support the use of a CIO and standard framework that will govern a standardised approach. We note that there will be external costs to the assessment and our own internal costs and we would seek that these costs become transparent and standardised via a “rate card” during the procurement and contractual phases. We recognise the importance of these assessments, however, we stress the need to establish efficient processes that can be utilised across SEC Parties as noted in our response to question 15.

16. Do you agree with our proposed approach and legal text for SEC in relation to Privacy Assessments?

We agree in general with the proposed approach and legal text in relation to Privacy Assessments for the Other User role. We would seek clarification around "Initial Audit Set up costs" as to how these will be recovered from the Other Users.

17. Do you agree with the specific proposals for undertaking random sample compliance assessments?

We are supportive of the legal text however, we cannot provide opinion on the specifics of the random sample compliance assessment until we have seen the methodology for this. We look forward to reviewing when there is further clarification.

18. Do you agree with the proposal for Users to meet the costs of the privacy assessments that are undertaken at their organisation?

We agree with the proposed approach for Other Users to pay their Privacy Assessments costs, but for all to pay via fixed charges for Random Sample Privacy Assessment.

19. What are your views on potential future changes to the SEC to provide for reporting the results of privacy assurance assessments bodies such as Ofgem, DECC, ICO and Parties generally.

We are of the view the results should be confidential/aggregated when discussing with Parties, but transparent to the individual User/Party that the report is about to the SEC Panel. We believe that reporting Parties that do not demonstrate compliance to Ofgem, DECC or ICO, after undertaking a remediation plan, should be a decision undertaken by SEC Panel.

20. Do you agree that the proposed legal drafting reflects the position reached in the SMETS2 consultation response, that Users should be required to obtain consent and to verify the identity of the energy consumer from whom they have obtained the consent prior to pairing a CAD.

We agree with the proposed approach. It shows alignment with DECC Data Privacy conclusions.

In section 11.3, we have concerns that the legal drafting will cause difficulty in explaining to consumers the consent that is being sought, such that they are able to provide informed consents regarding their data. We suggest that this is revisited from a consumer perspective to ensure that explanatory narrative will not present a barrier or the potential for misunderstanding.

Security Requirements

21. Do you agree with the proposed updates to the Security Requirements and the associated legal drafting?

We are broadly in agreement with the proposed updates and legal drafting, although we have some concerns remaining. In particular, we are aware that operational processes are still to be defined and therefore we would want the proposals and legal drafting to be reviewed in conjunction with the work to establish these processes.

We are in the process of defining system design and implementation requirements. Working within the Corporate IT framework means that we can achieve an element of synergy with regards to service provision, Communications and IT infrastructure. Emerging requirements from the SEC will have implications on these activities as:

- This will affect the design and implementation options that we are currently considering,
- Further changes in this area need careful consideration as we will reach a point where there are significant costs of change and impacts on the timescales of delivery,
- It could introduce elements where shared systems may not be able to be fully leveraged and therefore corporate synergy savings may be reduced.

We would seek clarification on elements of the legal drafting and seek further detail on the criteria used when applying these terms in the circumstances set out, for:

- Section G3.18, sub-paragraph (b), "reasonable",
- Section G3.18, sub-paragraph (c), "material".

In section G2.38, we note that there are missing defined terms and seek confirmation on their inclusion, to be clear what is meant by "Network Time" and "Independent Time Source".

22. Do you agree that we should also include in the SEC obligations on the DCC and Users which limit the future dating of commands to 30 days?

Whilst we agree that setting a limit on the future-dating of commands would seem sensible, we would like there to be an opportunity to monitor the implications of 30 days. It may transpire that with further analysis, it would be beneficial to extend the time period to facilitate usage of the Service Requests in particular scenarios.

We note that there are still discussions being held nationally around Anomaly Detection. We seek to confirm whether there will be subsequent drafting changes in SEC to support this.

We note that there are a few legal drafting terms for which we seek further detail on the criteria to be used when applying these terms in the circumstances set out, in section G6.5, sub-paragraph (b) (i) "appropriate"

Further SMKI Obligations

23. Do you agree with the proposed approach and legal drafting in relation to which parties are eligible to subscribe for specific Organisation Certificates?

We are supportive of the proposed approach and legal drafting in relation to which parties are eligible to subscribe for specific Organisation Certificates. We feel it is prudent to restrict eligibility.

As a Gas Network Operator, we seek confirmation that this approach will enable GNOs to obtain an Organisation Certificate that can be placed on the Gas meter by the registered Supplier post-commissioning, without the need to become a DCC Service User.

24. Do you agree with the proposed approach and legal drafting in relation to the Organisation Certificates the DCC must subscribe for in order to support installation of Devices?

We broadly agree with the proposed approach and legal drafting in relation to the Organisation Certificates the DCC must subscribe for in order to support installation of Devices

25. Do you agree with the proposed approach and legal drafting in relation to the date on which the DCC must start providing live certificates, in particular the proposal to turn off the DCC's response time obligations until the Stage 2 Assurance Report has been produced?

We agree with the proposed approach and legal drafting in relation to the date on which the DCC must start providing live certificates. However, we do not agree with the proposal to turn off the DCCs response time obligations. Given the Party obligations and the testing timescales, we believe the response time obligations should remain in force.

26. Do you agree with the proposed approach for all Network Parties to have established SMKI Organisation certificates?

We broadly agree with the proposed approach for all Network Parties to have established SMKI Organisation certificates.

27. Do you agree with the proposed approach for Non-User Suppliers to have established SMKI Organisation certificates?

We agree with the proposed approach for Non-User Suppliers to have established SMKI Organisation certificates.

28. Do you agree with the proposed approach and legal drafting in relation to specific SMKI Organisation Certificates placed on specific Devices?

We agree with the proposed approach and legal drafting in relation to specific SMKI Organisation Certificates placed on specific Devices.

29. Do you agree with our proposal to require DCC to provide Test Certificates to Test Participants (Who, in the case of non-Sec Parties, will have to be bound by an agreement entered into with the DCC) only for the purpose of Test Services and testing pursuant to Section T of the SEC, and to not require DCC to provide a Test Repository? Please provide a rationale for your view.

We have reservations about the proposal to require DCC to provide Test Certificates to Test Participants. We have concerns around the process if a Test Certificate is incorrectly

provided. We would seek clarification on the resolution timescales and to understand what will be put in place as the resolution process.

We note that there will be an overlap in the testing phases however we believe it is critical to have the DCC completion report from Solution Test independently reviewed prior to commencing UIT. This can be a lighter touch than the audit undertaken for SIT however, it needs to be proportionate to the level of risk for all Parties.

DCC Services

30. Do you agree with the proposed approach and legal drafting in relation to the DCC User Gateway Services Schedule?

We agree with the approach to align with the GBCS for consistency. We note that, where there may be inconsistencies between the GBCS and the DUGSS, we believe the use of the Urgent Modification Process set out in the SEC would be an appropriate and expedient way to resolve the issue transparently.

Comments on the UGSS Appendix E and F to the SEC, the table headings should be repeated to facilitate readers.

31. Do you agree with the proposed approach to centrally procure a EUI-64 Registry Entry?

We are in agreement with the approach to centrally procure the Registry Entry, as this would be the most cost effective.

We note a legal drafting term which we seek further detail on, regarding the criteria to be applied by the SEC Panel when approving IDs. In section B1.17 and section B1.19, the term “reasonably practicable” should be replaced with a timescale that is clearly defined i.e. within [x] working days of confirmed receipt of the application. This will enable Parties to have a clear understanding of how much time they may need to allow before they will have approved IDs.

Paragraph 230 of the consultation document mentions the need to establish mapping between User IDs and SEC Parties. We have previously voiced concerns that it will also be necessary to map Market Participant IDs and role codes, to User IDs. In particular this will be necessary to support the DCC's access control mechanism. We recognise that the SEC may not be most appropriate place to describe such a mapping in detail and would welcome work by DECC if such a mapping were to be described within a Design Note.

32. Do you agree with the intention to create a ‘Party ID’, enabling access to the Self Service Interface at Party level?

We seek clarification on who is responsible for making amendments to Party details. Placing this with the SEC Code Administrator would seem sensible and we would welcome further drafting to clarify this point and to set out the process to achieve with the associated timescales.

33. Do you agree that the proposed legal drafting accurately reflects the process by which the DCC will provide connection to the DCC User Gateway?

We agree that the proposed legal drafting accurately reflects the process by which the DCC will provide connection to the DCC User Gateway.

We seek clarification on the following points:

- In section H3.9, sub-paragraph (d), what will be the criteria used to define the term “reasonable steps” within the context of this section.
- Use of the term “day” - an example can be found in section H3.10, sub-paragraph (b)
- Timescales on the advance notice for High Volume connections, will this be working days.

34. Do you agree that the drafting meets the needs of both DCC and its Users in establishing, Maintaining and terminating connections? Please provide a rationale for your views and include any supporting evidence.

We seek clarification on how a User obtains a connection and the accurate timescales for doing so, especially as it is likely all larger suppliers will be doing this at the same time using the same providers. The matter of lead times also needs to be confirmed, as this differs from what is defined by the DCC itself.

35. Do you agree with the proposed approach and legal drafting in relation to Processing Service Requests?

We agree, for the reasons provided. It would seem sensible for the DCC to process signed Pre-Commands and notification of Certificate Expiration for a Supplier to know when action from them is required to resolve this. We suggest extra drafting around this, so the User knows to bring the Device onto the Certified Products List level, and how many Working Days they have to do this from receipt of the notification; this is to avoid a Supplier leaving the situation unresolved.

36. Do you agree with the proposed changes to the approach and legal drafting in relation to Smart Metering Inventory and Enrolment Services?

We agree that the DCC or Supplier should place the Security Credentials on Devices (before Delivery of commissioning respectively) and that the Supplier or Registered Supplier Agent can add Devices to the Smart Metering Inventory as long as it is on the Certified Products List.

We seek clarification on how this will be dealt with as although the Registered Supplier Agent can add Devices to the Smart Metering Inventory only a supplier can update the Security Credentials.

37. Do you agree with the proposed approach and legal drafting in relation to Problem Management?

We broadly agree with the proposed approach and legal drafting. We do seek clarification on whether a Problem will receive a Unique ID and whether it will receive the same treatment as an Incident.

We also seek clarification on the use of the term “reasonable timescale”.

38. Do you agree with the proposed approach and legal drafting in facilitating provision of a service to consumers to allow them to find out which Users have accessed consumption data from their meters?

We fully support the proposed approach and legal drafting in facilitating provision of a service to consumers to allow them to find out which Users have accessed consumption data from their meters.

We would like to understand what is meant by ‘make accessible’, how will this be provided and how will Consumer Consent be held?

39. Do you agree with the proposed approach of not requiring any User to offer a transparency service to consumers at this stage?

We agree with the proposed approach. We would welcome further discussion on how it is anticipated that the 7 years will then work, when there has been a COS or COT.

40. Do you agree with the proposal to provide a date in the SEC when any assessment of whether a supplier is large/ small for testing purposes is made? If not, please provide evidence for why this approach would not work and what alternatives should be used.

We welcome the clarity that this brings to suppliers, that there will be date in time where they will be determined to be a Large or Small Domestic Supplier Party. This allows those parties who might be on the threshold to be clear whether they may participate at the start of Interface Testing or not.

We note that the definition of Large Supplier is different in SEC to that in the Licence conditions. We suggest a change to the final word of the definition from ‘Domestic Premises’ to ‘Domestic Customers’ to ensure that the definitions are aligned.

Registration Data

41. Do you agree with the proposed approach and legal drafting in relation to registration data text alignment?

We are supportive of the proposal to amend the data needs in the main body of SEC Section E Registration to narrative description, as opposed to Data Items defined in other Energy Industry Codes. It is usually more expedient for Change Management to include such detailed data items in their own document.

We suggest that an Appendix is added, to include a list of the defined “data Items” needed as set out in the MRA and UK-Link. Thus ensuring that it is clear exactly what data will satisfy the requirements and in what format the DCC expects to receive them.

We note that in section E3.2 the legal text references section E3.2, when it should reference section E3.1.

42. Do you agree with the proposed text and legal drafting in relation to provision of market share information to the CDB including Ofgem determining disputes between CDB and the DCC?

We are supportive of the provision in the Smart Metering Communication Licence Condition setting out of the contract terms to be set up between the CDB and the DCC.

We do seek clarity on the point below:

DCC licence 45.4.(d)
prohibit the Central Delivery Body from using the Market Share Information for any purpose other than for the purpose of:
(i) establishing a mechanism to allocate the costs of the Central Delivery Body between licensed gas and electricity suppliers on the basis of such suppliers' respective shares of the markets for gas and electricity supply;

LC 45.25 (a) is covered by above but
LC 45.25 (b) requires market share for supply to domestic premises only and it is not clear whether this aspect is covered.

We note that Market Share Information needs to be adjusted to reflect that some customer configurations required multiple MPANs (Off-peak Load).

43. Do you agree with the proposed approach to RDP/DCC connections and the associated legal drafting?

We agree with the proposed approach set out in section E3 and associated legal drafting for RDP/DCC Connections, installation and maintenance; and where applicable the necessary removal of said connection.

44. Do you agree that Network Parties using the same RDP should be jointly and severally liable for failure that RDP to comply with provisions relating to the RDP's use of connection provided to it by the DCC?

We agree it would seem appropriate under the SEC, that Network Parties using the same RDP should be jointly and severally liable, for failure that RDP to comply with provisions relating to the RDP's use of connection provided to it by the DCC, since this is the agreement between DCC and Network Operators.

45. Do you agree with the proposed approach and legal drafting in relation to provision of Explicit Charges for Certain Other Enabling Services?

We agree with the proposed approach.

We seek a few points of clarification:

- That the consultation questions use of capital on "Certain" was unintentional and does not affect the consultation document and SEC legal drafting intent.

- What criteria will be used by DCC to determine it can “reasonably” request information/help?
- Where the SEC4 consultation document refers to “second comer”, it does not mean limited to one Party, but refers to the definition set out in K 8.6(a) for “subsequent person”; please can you confirm if this is the legal intent.
- Those definitions for “subsequent person” and “initial contributor” are added to Section K Definitions to aid the reader and SEC Parties where considering Elective Services.
- We understand that the initial contributor entered into this Elective Service in the knowledge that there may never be a subsequent person joining them taking the service, however where there is we should seek to understand the methodology the DCC will apply to “reasonably” rebate the initial contributor as set out in SEC K7.9.

46. Do you agree with broadening the scope of DCC Licence Condition 20 to include the Other Enabling Services which attract an explicit charge?

We agree with inclusion of the Other Enabling Services within the Smart Meter Communication Licence Condition 20, obliging the DCC to offer to enter into an agreement with a SEC Party.

47. Do you agree with the proposed amendments to the legal drafting which introduce a new controlled category of DCC data, set out guidelines for types of data which may be marked as confidential or controlled and limit liability for breach of the latter category?

SSE is supportive of the introduction of a new controlled category of DCC Data. This gives us assurance that data will be handled securely. We seek clarification of who will be governing their application of confidentiality, to avoid those documents being wrongly classified.

48. Do you agree that liability for disclosure of controlled information should be limited to £1 million per event (or series of events) for direct losses?

We agree that the proposed liability for disclosure of controlled information should be limited to £1 Million per event, where there has been the additional introduction of Injunctive Relief (SEC M4.23) where damages might not be adequate to remedy the event of breach. The limit in principle is consistent with liability caps set out in SEC thus far.

49. Do you think that SEC Parties other than the DCC may have a need to mark data ‘controlled’? If so, please outline what, if any, parameters ought to apply?

We believe that SEC Parties **may** have need to mark data sent to/from the DCC as ‘controlled’, and so support the introduction, in this principle.

We would like to see further detail on this proposal and would be happy to participate in a workshop to define any rules around this. We suggest consideration of prevention of the incorrect SEC Party or User accessing “Controlled” Documents. This might manifest itself in the form of a warning issued informing them that their attempt to access the information breaches the DCCs data controls policy. Further that there is a process set out to identify

potential and actual breaches, to be able to determine if guidance to a SEC Party needs to be made by the SEC Panel.

Any regime on SEC Parties should not overly restrict the ability to classify data as “confidential” according to their own classification policies.

50. Do you agree that liabilities if these controls are breached should be limited to £1 million (excluding consequential losses)?

We agree that the proposed liability for disclosure of controlled information should be limited to £1 Million per event, where there has been the additional introduction of Injunctive Relief (SEC M4.23) where damages might not be adequate to remedy the event of breach. The limit in principle is consistent with liability caps set out in SEC thus far.

SEC Consequential Changes: Alignment to DCC and Supply Licences

51. Do you agree with the proposed approach and legal drafting in relation to the consequential changes to align the SEC with the proposed changes to the DCC and Supply Licences?

We agree with the proposal to ensure consistency between the DCC Licence Conditions, the Supply Licence Conditions and the SEC, as we believe this is a key requirement.

We seek clarification on several points:

- That the intent of this legal text introduction was to cover Microbusiness as well as Domestic (as the consultation document paragraph 302 only outlined Domestic).
- That where, in light of, the new Device Specification definition has now been drafted, the :
 - Technical Specification definition will be revisited to avoid overlap (i.e. removal of SMETS, CHTS as these are now included in the Device Specification).
 - That where Technical Specification is used, throughout the SEC, consideration is given to adding Device Specification or replacing Technical Specification where necessary.

We agree with the introduction of an obligation in the SEC for the creation and maintenance a document which identifies which technical specifications are compatible with each other. We are concerned with the phrase “reasonably up to date”, and believe that this should be defined, as SEC Parties will be relying on the timely accuracy of this document, to inform their rollout and installation of the right compatible technical specification versions of Devices on the Deployed Products List. It would seem prudent for there to be an obligation on the document guardians to advise Parties when this list is updated, to ensure transparency, consistency and avoid incompatible kit being installed together, where possible.

We would also like to highlight that this drafting should not be made effective under the SEC until the new Supply Licence Condition amendments are in place.

Miscellaneous changes to SEC

52. Do you agree with the proposed approach and legal drafting in relation to the invoicing threshold?

We agree with the proposed approach to create a monthly Invoice threshold. This seems to be a more efficient, cost effective way to invoice Parties. Allowing the DCC the option where that Parties aggregate invoice amount falls below the threshold. It sets clear expectations, for SEC Parties, that as a minimum they can expect an annual invoice of charges.

We suggest that maybe the threshold should be set to £250, instead of the £25.

53. Do you agree with the proposed approach and legal drafting in relation to the credit cover threshold?

We agree it would seem expedient for the DCC to determine that the credit cover requirement for £2000 or under be deemed as £0. We wonder if there should be an obligation on the DCC to monitor the aggregated Parties Value at Risk each month, to keep an eye on materiality of the VaR against them.

We suggest that instead of the SEC specifying an actual figure, that maybe it might be more appropriate for the SEC to refer to a statement (held as an appendix to the SEC) and an obligation on how frequently to review the calculation of the threshold, perhaps every 5 years. Allowing the DCC to ensure that the threshold is cost reflective of the administration and risk as time goes on.

54. Do you agree with the proposed approach and legal drafting in relation to scope for an explicit charge related to Services with the DCC User Gateway Services Schedule of zero?

SSE agrees with the proposed approach and legal drafting in relation to scope for an explicit charge related to Services with the DCC User Gateway Services Schedule of zero. However we are concerned that the drafting may not be appropriate, where the Elective Services may form part of the DCC User Gateway Interface Specification in the future and would look for further consultation in this area.

55. Do you agree with the proposed amendments to the definition of 'Mandated Smart Metering System'? Views would be welcome whether this has a material impact

We agree in principle to the further description of Mandated Smart metering System as set out in the Charging Methodology Definitions.

SSE as a Network Operator would like to suggest that consideration is given to including de-energised supplies as part of the exclusion set out in the new definition. For de-energised supplies there is no live energy flowing through these meter points, it would therefore seem inappropriate for charges to be levied on Electricity Distribution Network Operator for DCC services, when no service can be received.

We would like to take this chance to reiterate our concerns relating to the charges levied at premises where a single supply point has multiple MPANS. We first raised this issue in our response to the SEC 3 consultation and we remain disappointed that the issue has not yet been addressed.

Specifically we are concerned about the methodology used for the calculation of Electricity Network Operator DCC fixed charges. The use of MPAN as a proxy for supply point presents a situation where by some electricity network operators have to pay significantly more individual DCC fixed charges than there are actual supply points. To provide an example of materiality, in the Scottish Hydro Power Distribution Licence area there are 13% more MPANs than there are supply points, leading to a significantly inflated DCC fixed charge. We would urge DECC to review this element of the charging methodology to ensure that there is equitable treatment for all Electricity Network Operators and the DCC fixed charges are based upon the number of supply points.

56. Do you agree with the proposed approach and legal drafting regarding power outage alerts?

SSE as a Supplier is not fully supportive of the current proposed approach and legal drafting. As set out currently it would appear that the amount of data, which would be received, would create additional data processing and storage costs for little Customer benefit. We would be supportive of an amendment to allow the Supplier to make its own decision around the level of alerts they would like to configure on the meter.

We note that the legal drafting set out in the SEC Section H clause 4.9 does not reference the number of properties as indicated in the consultation document paragraph 326. Please confirm how this intent is due to be accommodated.

SSE as a Network Operator is strongly supportive of the obligation on the DCC to provide Power Outage Alerts. We do remain concerned by the assumption that for events affecting more than fifty properties a Network Operators "other monitoring systems" will identify these issues. In order for our other systems to identify faults the number of premises affected in some locations may exceed five hundred.

We also seek an assurance that in times of network system emergency (storms etc.) that the sending of duplicate alerts to other SEC Parties will not impact upon the performance of the DCCs system and prevent, or significantly slow down, the flow of information to Distribution Network Owners.

Additionally there are issues with the current proposed solutions to enable power outage alerts to be sent from a Communications Hub located in a gas only/ gas first installation. In order for the DCC to be able to send a power outage alert to an authorised user it needs to be able to map a Communications Hub to the MPAN in order to identify appropriate alert recipients. Where no ESME has been installed the DCC have stated that it will not be possible to issue power outage alerts. We seek confirmation of how this will be rectified in the legal text. We feel that the legal drafting needs to specify specific performance requirements on the DCC across the whole end to end DCC system, not just a requirement to pass on an alert when it has been received from the Communications Hub.

57. Do you agree with the proposed approach and legal drafting in relations to the testing of shared systems?

We are supportive of the proposed approach and legal drafting in relation to the testing of shared systems. We would like to express some concern over the suggestion that subsequent Parties using the same shared system can rely on the proof of a previous audited Party. Even where several Parties chose to use the same shared system, each Party needs to appropriately be able to prove their installation meets the requirements of the Common Test Scenario (e.g. all DUGIS commands and required variants) accurately.

58. Do you consider the cost of remote access to the test SMWAN should be socialised across all Users or charged directly to those test participants who use the service? Please provide an explanation for your answer.

We agree with Option 2, setting out that test participants will pay for the use of the service

However we suggest there may be merit in a third option.

- Where each test participant pays their own connection costs in establishing the Asymmetric Digital Subscriber Line (ADSL) and any ongoing transaction costs for the connection and data usage.
- SEC Parties should then share in the socialisation of the costs which the DCC incurs in operation of the test platform.

This ensures that there is a fair distribution of costs across the SEC Parties that either use or gain a benefit from the existence of the service.

Communications Hub Charging

59. Do you agree with the proposed legal drafting in relation to Communications Hub Asset and Maintenance Charges?

We seek amendments to be made to the legal text before we can agree to the proposed drafting. We have outlined the amendments below.

We seek clarification where we can see inconsistency in the legal drafting. We note Communication Hub charging is based upon the number at the end of a charging period less; installed, not accepted upon delivery, returned, lost or destroyed. In section K7.5 (l) (ii) rejection is in accordance with Section F6.10, allowing for rejection on delivery, and then the Variant Communications Hubs under K7.5 (m) does not allow for this rejection. Please confirm which is correct and how this drafting issue will be rectified.

We would suggest a simplification of the legal text, so that in K7.5 (o) is about returned and (p) is about lost or destroyed.

We have always stated out objection to the threshold approach, however we cannot accept that the calculation is based upon the number at the end of the year as set out in F9.17 and F9.18 respectively, as we believe it should be the average number within the year, bearing in mind these faults may take some time to materialise. We seek a legal drafting amendment to accommodate this and that this is reflected in subsequent SEC clauses.

60. Do you agree with the proposed legal drafting on Communications Hubs Charging following removal and/or return?

We seek amendments to be made to the legal text before we can agree to the proposed drafting. We have outlined the amendments in our answer to Question 59 above.

Using the SMKI Service

**61. Do you have any views on the operation of SMETS 2 meters that are opted out the DCC services in light of:
the conclusions on SMKI set out above; and
any other matters, including GBCS, that may affect two-way communications with an opted-out meter?**

We agree that SMETS 2 meter must have both SMKI Device Certificates and SMKI Organisation Certificates installed whether they are operated by opted in or opted out suppliers.

We believe there is merit for further industry work around this, reinstating Operational Working Group

62. Do you agree with the proposed legal text with respect to the DCC's, Subscriber and Relying Party obligations and associated liabilities?

We are supportive of the proposed legal text with respect to the DCC's, Subscriber and Relying Party Obligations and associated liabilities. This increases our confidence that all parties will be operating in an equal manner.

Enrolment and Adoption of SMETS1 meters

63. Do you agree with the proposed legal text in relations to the Initial Enrolment Project for SMETS 1 meters installed during Foundation?

We agree, though believe that N4.1 should be expanded to include a requirement for a full cost benefit analysis for each option. It is important that the benefits outweigh the costs to industry.

In addition we have identified some drafting errors, in clause:

- N2.2, that the "Meters" after "SMETS1" should actually be "Services"
- N2.10, that it should be a reference to the "Initial Enrolment Project Feasibility Report", the "Project" is missing.
- N2.10, having undertaken (b) as drafted there would be no material increase in risk, such that (c) is irrelevant. We suspect that the current drafting of (b) is incorrect..

64. Does the contents list for the initial Enrolment Project Feasibility Report (para 406) cover the required issues for the DCC to address? Are there any additional areas which you consider the DCC should specifically required to include?

We seek confirmation that this question indeed refers to the consultation document paragraph 406 and not 401.

We agree, though believe that N4.1 should be expanded to include a requirement for a full cost benefit analysis for each option. It is important that the benefits outweigh the costs to industry.

65. Do you agree with the proposed legal text in relation to charging arrangements for the ongoing communications costs of Foundation Meters enrolled in the DCC?

We do not agree with the proposed legal text in relation to charging arrangements for the ongoing communications costs of Foundation Meters enrolled in the DCC. There is inconsistency between the Consultation and the legal drafting for the Smart Metering Communications Licence and the SEC. We seek these inconsistencies are resolved and we are consulted on the new legal drafting which results from this.

The SEC 4 Consultation Document states in paragraph 409;

We have previously confirmed that the approach to charging in this instance would be as follows:

‘Additional on-going communications costs for Foundation meters enrolled with the DCC will be paid by the Supplier responsible for the meter, as long as that Supplier is the Supplier which established the adopted communications contract prior to the date of adoption. If the meter has churned, a Supplier gaining a SMETS1 meter and a communications contract which it did not establish will pay the same charges as for a SMETS2 meter operated through the CSP communications service.’

The Smart Metering Communications Licence drafting does not facilitate this:

DCC 18.16

(b) notwithstanding (a) above, where the Costs of Communications for a SMETS1 Meter exceeds the Costs of Communications for an Other Smart Metering System, and where the Original Supplier for the Energy Supplier Contract relating to that SMETS1 Meter is (and has at all times since the adoption of the Energy Supplier Contract been) a supplier of Energy to the premises at which that SMETS1 Meter is installed, result in Service Charges that ensure that the additional Costs of Communications are recovered from the Original Supplier.

“Original Supplier” means, in respect of an Energy Supplier Contract, the Energy Supplier which was party to that contract at the time of its adoption by the Licensee under the SEC Adoption Process.
i.e. the Original Supplier = current supplier at time of enrolling meter will always pick up any additional charges.

The SEC drafting does not facilitate this:

SEC C1.5

(b) notwithstanding (a) above, where the Costs of Communications for a SMETS1 Meter exceeds the Costs of Communications for a Smart Metering System, and where the Original Supplier for the Energy Supplier Contract relating to that SMETS1 Meter is (and has at all times since the adoption of the Energy Supplier Contract been) a supplier of energy to the premises at which that SMETS1 Meter is installed, result in Charges that ensure that the additional Costs of Communications are recovered from the Original Supplier,

and, for the purposes of this Section C1.5, the terms “SMETS1 Meters”, “Costs of Communications”, “Original Supplier” and “Energy Supplier Contract” shall have the meaning given to those terms in the DCC Licence.

Provisions Supporting Non-Standard Operations

66. Do you agree with the proposed approach and legal drafting in relation to User supplier to Non-User churn?

We agree with the proposed approach and legal drafting in relation to User supplier and Non-User supplier churn.

SEC Sections A, K, and N Definitions

Please note the inclusion of terms we believe are missing from the SEC 4 Legal Drafting.

SEC section/clause where Definition referenced (not exhaustive)	Missing definitions for SEC Section A or K	Amendments sought.
G8.5 (a)	CESG Check	Seek inclusion in the SEC Section A Definitions.
G8.5 (b)	CESG Tailored Assurance Service (CTAS)	
G8.6 (a)	CESG Listed Advisor Scheme (CLAS)	
A – Definition for Communications Hub Finance Facility	Approved Counterparty	
H5.17 (b)	DCC Access Control Broker Certificate	
H5.17 (b)	DCC Recovery Cert	
H5.17 (b)	DCC Transitional CoS Cert	
H5.17 (b)	DCC WAN Provider Certificates	
H10.6 (d)	DCC's External Costs	Although defined within G2.38, seek inclusion in the SEC Section A Definitions.
G2.38	Independent Time Source	
K8.6 (b)	Initial Contributor	Although defined within the clause, suggest inclusion into the SEC Section K Definitions.
H5.17 (b)	Key Usage	Seek inclusion in the SEC Section A Definitions.
G2.38	Network Time	Although defined within G2.38, seek inclusion in the SEC Section A Definitions.
L3.3	RAPP	This is set out in full in SEC Section A Definitions, as Registration Authority Policies and Procedures. Suggest either inclusion of RAPP to SEC Section A Definitions, or amendment the reference in L 3.3 to the full term Registration Authority Policies and

		Procedures.
D6.8 (f)	Security Assurance Arrangement	SEC Section A Definitions has a defined term, Security Obligations and Assurance Arrangements, should this have been the reference in D6.8 (f)? Or Security Assurance Arrangement a new term needing definition.
Condoc 356 – to go into K7.	Stock Level Explicit Charge	Seek inclusion in the SEC Section A Definitions.
K8.6 (a)	Subsequent Person	Although defined within the clause, suggest inclusion into the SEC Section K Definitions.
H5.16	Trust Anchor Cell	Seek inclusion in the SEC Section A Definitions.