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Smart Metering Implementation Programme
Regulation Team
Department of Energy and Climate Change
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22 August 2014

Dear Sirs

Smart Metering Implementation Programme:
Consultation on New Smart Energy Code Content (Stage 4)

Thank you for the opportunity to respond to the latest Smart Metering Implementation Programme ("SMIP") consultation in respect of the Smart Energy Code ("the SEC"). The Appendix to this letter provides detailed responses to specific questions as set out in the consultation document.

Xoserve is not an entity regulated by Licence, nor is it a signatory to any GB energy industry Codes. We have, however, been appointed by the principal Gas Transporters ("the GTs") as their Transporter Agency, with responsibility for discharging the GTs' Licence and Uniform Network Code obligations in respect of transportation transactional services. We refer to these regulated services collectively as "Agency Services". In addition, both the GTs and the independent Gas Transporters ("the iGTs") are appointing Xoserve as their Registration Data Provider ("RDP") under the terms of the SEC.

Our response is concerned with proposals in respect of Security Governance, Assurance and Privacy (Chapter 4), Smart Metering Key Infrastructure Obligations (Chapter 6) and Registration Data (Chapter 8). Whilst we largely support the proposals, we are particularly keen to ensure that there is greater clarity of RDP responsibilities, and that the requirements that are placed upon them are proportionate to their role in the Smart Metering regime.

We are continuing to participate extensively in a number of the SMIP design bodies within the SMIP Transition Governance Framework, including the Registration Data Provider Forum, in order to ensure that we understand fully the requirements on Xoserve in its capacity as an RDP, and have in place a planned systems change programme that will ensure the on time delivery of robust solutions to support the establishment and operation of the DCC.

We are keen to continue to support the SMIP as it moves forward, and would be happy to meet with members of the DECC Smart Metering Team to discuss in more depth any of the matters raised in our response.

Yours faithfully

Section 4.2: Security Assurance

Do you agree with the Government's 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; and
- the assessment arrangements proposed for DCC.

We note the proposal for a three year rolling cycle of security assessments, and that Network Parties would be included in these arrangements. We would welcome clarification of the extent to which the systems and services provided by RDPs on behalf of Network Parties would be expected to fall within the scope of the security assessments, and whether such assessments would be within the remit of the Competent Independent Organisation ("the CIO").

We welcome the proposal that existing relevant accreditations and certifications (and their supporting evidence) held by organisations that are subject to CIO security assessments can be relied upon to inform the results of the assessments. Where organisations are able to demonstrate maturity of security arrangements, we would expect this to be reflected in lower CIO security assessment costs.

Section 6.2: Restrictions on Parties Eligible to Subscribe for Certain Certificates

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

We understand from previous engagement with the SMIP and the DCC that each party operating as an RDP would be required to obtain an Organisation Certificate. We note, however, that this is not specified in the SEC4 Consultation (at paragraph 175 and the supporting table), and would welcome clarification of this matter, and therefore of the extent to which RDPs fall within the scope of the Certificate arrangements.

Section 8.1: Text Alignment

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

We have noted the proposed amendments to Sections E and X of the SEC. We are satisfied that the necessary consistency in terms between the SEC and gas industry Codes has been maintained.

Section 8.2: Provision of Data for the Central Delivery Body

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

Xoserve is already providing market information on behalf of the Gas Networks to the DCC, and will continue to do so in the future. We agree with the proposal that, to the extent that the DCC provides such information to the Smart Meter Central Delivery Body ("the CDB"), this would be subject to a confidentiality agreement between the DCC and the CDB. We would expect that the terms of such an agreement would be compliant with the terms of any confidentiality agreement that exists between the Gas Networks and the DCC.

Section 8.3: Connections between the DCC and RDPs

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

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

We have reviewed the proposed approach to RDP/DCC connections and the associated legal drafting, and have no specific issues or concerns to highlight in this Consultation response.

We have not commented on the Network Parties' liability framework, as we consider that this is a matter for Network Parties rather than for Xoserve as an RDP.