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Smart Metering Implementation Programme - Regulation
Department of Energy & Climate Change
Orchard 3, Lower Ground Floor
1 Victoria Street
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31st October 2014

Dear Sir / Madam,

British Gas response to DECC's consultation on "Transitional Arrangements in the Smart Energy Code" (14D/348)

Thank you for the opportunity to respond to DECC's above consultation.

We are in broad agreement with the proposals set out in this consultation. The proposals appear to be a proportionate and pragmatic approach to dealing with transitional DCC service capability ahead of June 2015 and provide a mechanism to allow for agreed industry changes to be made to SEC documentation in an expedient and efficient manner.

We have highlighted a couple of concerns that would need to be addressed for us to fully support these proposals:

1) The inability for suppliers to forecast WAN variant Communications Hubs

Under SEC4 proposals, suppliers are expected to include a breakdown of the WAN variant Communications Hubs they will require in each region. This is of particular importance in the South and Central Communication Service Provider (CSP) regions where there will be a requirement to have either cellular or mesh Communications Hubs. The proposals within this consultation remove the need for the DCC to provide coverage information relating to WAN variants. It is therefore impossible for suppliers to include such information in their forecasts.

We therefore propose that these transitional arrangements extend to cover the forecasting process; i.e. they exclude the need for supplier forecasts to include WAN variant level information during this period. This exclusion should remain in place until the DCC is able to provide accurate and timely coverage information.

2) Appropriate governance prior to re-designation of SEC documentation

We support the proposal to introduce a mechanism to allow for SEC documents to be re-designated by the Secretary of State. We believe this could be very beneficial during DCC and industry testing when issue resolution may well require any changes to SEC Subsidiary documents to be introduced promptly.

We believe further work will be required to establish the governance arrangements that will lead to such a re-designation taking place. Currently there are transitional governance groups overseeing the majority of programme material. It is via these groups that changes are made to documents and the Secretary of State takes guidance on the appropriate time for designation into the SEC. This will change over the next 12 months as the responsibility for documents migrates over to the SEC Panel and the various Sub-Committees. It is not yet clear how the programme and the Sub-Committees will work together to identify and resolve the need for changes and what the mechanism will be for requesting or triggering a re-designation by the Secretary of State.

We look forward to discussing these issues with DECC and the wider programme in due course.

Our detailed responses to DECC's questions are attached in Appendix 1. Please do not hesitate to contact me or you require any further detail on our response.

Yours sincerely

BG Transition Arrangements in the Smart Energy Code Consultation Question Responses

Question 1. Do you agree with the proposed transitional measures to support Communications Hubs forecasting for an interim period?

In particular:

- **Do you agree that the proposal to submit forecasts via email for an interim period (until June 2015) is acceptable?**
- **Do you agree that the DCC should provide certain WAN information via spreadsheet (CSV format) in advance of the full WAN information being available in June 2015?**

If you do not agree, please explain your rationale.

- 1.1 Yes. We broadly agree with the proposed transitional measures to support the Communications Hubs forecasting process for an interim period.
- 1.2 We are supportive of using email submissions to submit our forecasts for the interim period. We believe this is a proportional and pragmatic approach to enable parties to support the DCC in its own procurement activities with the Communications Service Providers (CSPs) and the Communications Hub manufacturers.
- 1.3 We also agree that the DCC should provide certain WAN information via an agreed spreadsheet in advance of the full information being available in June 2015 (or later). However, we do have concerns that having less information available from the DCC will compromise the accuracy and reliability of supplier forecasts.
- 1.4 Under SEC4 proposals, suppliers are expected to include a breakdown of the WAN variant Communications Hubs it will require in each region¹. This is of particular importance in the South and Central CSP regions where there will be a requirement to have either cellular or mesh Communications Hubs. These proposals within this consultation remove the need for the DCC to provide coverage information based on WAN variants. It is therefore impossible for suppliers to include such information in their forecasts.

¹ The requirement in SEC4 drafting specified in Section F5.4 (b)(iii)

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- 1.5 As future forecasts and orders are required to be based within tolerances of previous orders this could have a significant detrimental impact on suppliers and the Communications Hub manufacturing process and supply chain. The DCC, or its service providers, may well have an estimate of the coverage that will be supported by cellular or mesh and should therefore have sufficient information to already manage the manufacturing process. It would be wholly inappropriate for suppliers to effectively guess what this split may be and negatively impact on the DCC's own ordering process.
- 1.6 We therefore propose that these transition arrangements extend to cover the forecasting process and exclude the need to include WAN variant level information during this transitional period.
- 1.7 Although this transitional period is proposed to only be until June 2015 the amended legal drafting does allow for this to be extended upon a direction being issued by the Secretary of State. We therefore believe it is imperative that this additional transitional measure to limit the requirements of supplier forecasts should remain in place until the DCC is able to provide accurate and timely coverage information.

Question 2. Do you agree with the proposed transitional measures to support transitional service management for those services that the DCC will be offering prior to the commencement of its full service management arrangements?

If you do not agree, please explain your rationale.

- 2.1. Yes, we agree with the proposed transitional measures to support transitional service management for the limited number of services that will be offered during this period.
- 2.2. Whilst this transitional service covers a limited number of DCC services any issues arising need to be dealt with in timescales proportional to the impact that the issue has on DCC Users. We agree that the DCC should assign an appropriate priority to reported issues but we would expect the methodology for such assignment to be shared with Users.
- 2.3. We do not believe that waiting for 3 days to be contacted once an issue has been resolved is appropriate. We would not expect the number of faults or issues being

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raised during this transitional period to be significant and see no reason why issue resolution could not be communicated within 24 hours. This is paramount for any issues that are given a P1 priority. If this closure notification requirement is to remain at 3 days then we would expect the DCC to publish further information detailing how it would prioritise such communications based on severity of the issue being resolved.

- 2.4. In the event of the service desk being unavailable we would expect the alternative back up arrangements to be initiated and communicated within day; rather than the proposed 2 days.

Question 3. Do you agree that the DCC Licence and SEC should be modified so that updated versions of SEC subsidiary documents may be re-designated by the Secretary of State and incorporated into the SEC?

If you do not agree, please explain your rationale.

- 3.1. Yes. We agree that the DCC Licence and SEC should be modified so that industry agreed updated versions of SEC subsidiary documents may be re-designated.
- 3.2. Having a mechanism to allow for SEC documents to be re-designated by the Secretary of State appears to be a sensible and pragmatic proposal. We believe this could be very beneficial during DCC and industry testing when issue resolution may well require any changes to SEC Subsidiary documents to be introduced promptly.
- 3.3. We believe further work will be required to establish the governance arrangements that will lead to such a re-designation taking place. Currently there are transitional governance groups overseeing the majority of programme material. It is via these groups that changes are made to documents and the Secretary of State takes guidance on the appropriate time for designation into the SEC. This will change over the next 12 months as the responsibility for documents migrates over to the SEC Panel and the various Sub-Committees. It is not yet clear how the programme and the Sub-Committees will work together to identify and resolve the need for changes and what the mechanism will be for requesting or triggering a re-designation by the Secretary of State.

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- 3.4. We look forward to discussing these matters with DECC and the wider programme in due course.

END