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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 December 2014

Dear Sir / Madam,

British Gas response to DECC's consultation on "additional SEC content" following the Government decision on SEC4 (Part A) and the Smart Energy Code Transitional arrangements" (URN 14D/298)

Thank you for the opportunity to respond to this consultation on additional SEC content.

We are in broad agreement with the principles of the proposals set out in this consultation but have highlighted a small number of concerns which we would be happy to discuss with you further. Most notably, we believe further clarity is required in the following areas:

1) The proposed post-commissioning obligations require further clarity

We are grateful that DECC have revisited the post-commissioning obligations in this further consultation and we are supportive of the approach that has been taken. Having a mechanism that will allow for devices to be 'suspended' if post-commissioning obligations cannot be completed will prevent the need for potentially unnecessary site visits and replacement of devices.

We are seeking further clarity on the process that will be used for 'suspending' devices and have included some detailed points in our responses in the Appendix to this letter.

We also believe that the post-commissioning obligations should be placed on the Responsible Supplier rather than the Lead Supplier. The Lead Supplier would not be

able to carry out service requests in relation to a Gas proxy Function or the Gas Meter if they are not the Responsible Supplier.

The situation is further complicated as both the Communications Hub Function and the Gas Proxy Function are part of the Communications Hub although they are both devices in their own right. This has raised the question over maintenance and replacement responsibility of a Communications Hub in a split supplier multi-fuel installation. In our view, all maintenance and replacement activities in relation to the physical Communications Hub must remain the responsibility of the Lead Supplier. However, the Responsible Supplier for any affected devices should have the right to replace the Communications Hub.

2) Unlimited liability for loss due to failure to complete post-commissioning obligations requires further consideration

We are supportive of suppliers being protected from loss when gaining a Smart Metering System where the installing supplier has failed to complete their post-commissioning obligations. However, the proposed drafting for this is for unlimited liability to apply and is something that we think requires further consideration. Losses would be incurred through having to carry out site visits and physically replace devices. However, there could be consequential losses due to a security incident caused by the failure to complete the post-commissioning obligations. The extent of such a potential loss may well be affected by the process used for suspension of devices; for example, whether 'suspension' is automatically applied after the 7 days, or if all communication to the device is prevented which may, in turn limit the extent of a potential security breach and associated liability.

We believe this matter requires further consideration and would welcome a discussion with DECC once our other questions around post-commissioning obligations have been dealt with.

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

Yours sincerely

(by email)

British Gas Consultation Question Responses to additional SEC content following SEC4 (Part A)

Question 1. Do you agree with the proposed approach and legal drafting in relation to Infrastructure Key Infrastructure?

- 1.1 Yes, we support the approach and the legal drafting in relation to the Infrastructure Key Infrastructure (IKI). Due to IKI being introduced after other SMKI documents we suggest that these are all amended, as and where necessary, to include the appropriate cross-references to IKI.
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Question 2. Do you agree with the proposed approach and legal drafting in relation to DCC Key Infrastructure?

- 2.1. Yes, we agree with the proposed approach and legal drafting for DCC Key Infrastructure (KI).
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Question 3. Do you agree with the proposed approach and legal drafting in relation to allowing RDPs to become Authorised Subscribers for Organisation Certificates?

- 3.1. Yes, we believe the proposed approach and legal text are appropriate.
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Question 4. Do you agree with the proposed approach and legal drafting in relation to allowing RDPs to become Authorised Subscribers for Organisation Certificates?

- 4.1 Yes, we agree with the proposed approach and the legal drafting.
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Question 5. Do you agree with the proposed approach and legal drafting in relation to the size restrictions on a number of fields in Device and Organisation Certificates?

- 5.1. Yes, we agree with the proposed approach to restrict field sizes and with the proposed legal drafting.
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Question 6. Do you agree with the proposed approach and legal drafting in relation to the clarified Independent SMKI Assurance Scheme?

- 6.1. Yes, we agree with the proposed approach and the proposed legal drafting.

British Gas Consultation Question Responses to additional SEC content following SEC4 (Part A)

Question 7. Do you agree that the proposed changes are necessary and proportionate to protect DCC Systems?

7.1. Yes, we agree that the proposed changes are necessary and proportionate.

Question 8. Do you agree with the proposed changes to the post-commissioning obligations and associated limitation of liabilities?

Post-Commissioning Obligations

- 8.1 Whilst we agree that it is more appropriate to 'suspend' devices than to extend the period of time allowed to complete post-commissioning obligations, we are uncertain over how this will work in practice. When considering this issue we have made the assumption that, as the Gas Proxy Function and the Communications Hub Function are considered to be separate devices, despite being a single physical unit, it should be possible for the Gas Proxy Function to be set to 'suspended' and the Communications Hub Function to remain as 'commissioned' (and vice versa).
- 8.2 It is not clear from the drafting what the suspension of a device entails and what restriction it then creates. For example, if suspension were to prevent any service requests from being issued to the device then it is unclear how the post-commissioning procedures can be carried out after a device has been suspended. If a device were to be returned to its previous state (e.g. commissioned) to allow for the post-commissioning obligations to be re-attempted then this may well put the responsible party in breach of the SEC (as it would be beyond the allowable 7 days).
- 8.3 If the intent is that service requests, or a subset of service requests, can be submitted whilst a device is suspended then we believe this needs to be clarified in the legal drafting or made clear as to where and when this will be documented.
- 8.4 It is also not clear whether there are any subsequent limitations (e.g. time limits) for devices being suspended. For suppliers, this may impact on compliance with the Operational Licence Conditions (OLCs) and could negatively impact on Change of Supplier (CoS) events. In these circumstances we believe that suppliers should not be in breach of their licence and would welcome clarification from DECC as to whether the OLCs will need amending to allow for the revised post-commissioning processes.

British Gas Consultation Question Responses to additional SEC content following SEC4 (Part A)

- 8.5 The DCC is responsible for post-commissioning obligations in relation to Communications Hub Functions and, if suspended, this may prevent other parties from communicating with their own devices. We therefore believe that there needs to be an agreed process and associated timescale for a Communications Hub Function to remain suspended. If the post-commissioning obligations cannot be completed then the Communications Hub will need to be replaced. In this scenario the relevant suppliers should not have to wait an unlimited amount of time for the post-commissioning obligations to be retried and completed. We would welcome clarity on how and where this matter will be resolved.
- 8.6 We would also welcome further explanation of the proposed notification process that the DCC will use for informing relevant suppliers that a Communications Hub Function has been suspended. For example, this could be an automated alert, and included as part of the DCC User Gateway Interface Specification (DUGIS), or notified as an incident via the Service Management route. We would welcome clarity on where and when this level of detail will be determined.
- 8.7 We have reviewed the suggested legal text that would replace the obligations within H5. The terms Lead Supplier and Responsible Supplier have been used when assigning the responsibility for obligations to parties. We disagree with the usage of these terms in parts and have given our reasoning for this below.
- 8.8 Our interpretation of Lead Supplier is that there is only ever a single Lead Supplier for a Communications Hub regardless of how many Smart Metering Systems are utilising that Communications Hub. For example, where there is a dual fuel installation with two different suppliers the Lead Supplier will always be the electricity supplier.
- 8.9 The situation is further complicated as both the Communications Hub Function and the Gas Proxy Function are part of the Communications Hub although they are both devices in their own right. This has raised the question over maintenance and replacement responsibility for a Communications Hub in a split supplier multi-fuel installation. In our view, all maintenance and replacement activities in relation to the physical Communications Hub must remain the responsibility of the Lead Supplier although the Responsible Supplier for any affected devices should have the right to replace the Communications Hub.

British Gas Consultation Question Responses to additional SEC content following SEC4 (Part A)

- 8.10 Having looked at other uses of the term Lead Supplier in the SEC it appears that it is only used in two other sections. The Incident Management provisions H9.2(c) make it clear that *"the Lead Supplier for a communications Hub shall be responsible for resolving Incidents and closing Problems to the extent they are caused by that Communications Hub"*. The Communications Hub, by definition, includes the Gas Proxy Function. Therefore where there are 2 suppliers using a single Communications Hub the Electricity Supplier, as the Lead Supplier, would be responsible for incidents caused by both the Communications Hub Function and the Gas Proxy Function.
- 8.11 The other reference to Lead Supplier is within the Self-Service Interface provisions within H8.16(d)(ii). These provisions ensure that the Lead Supplier has access to Incidents relating to the Communications Hub Function and, amongst other things, allow them to update the Incident Management Log. We believe this provision may need to be revised to allow the Lead Supplier also to be able to access gas Proxy Function-related incidents (or simply any Communications Hub-related Incident).
- 8.12 The proposed paragraph H5.35 covers the DCC's obligation to notify the relevant supplier, or suppliers, if they suspend a Communications Hub Function or revert to the previous status after being suspended. The wording used here is 'Responsible Supplier for any smart metering system' which we believe is correct as it can apply to more than one supplier.
- 8.13 The proposed drafting in H5.35 gives any Responsible Supplier the right to replace and to return a Communications Hub if it has been suspended under H5.34(a). We believe this is appropriate and, for information, this also gives the electricity supplier the right to replace the Gas proxy Function (obvious but worth stating) when they are not the relevant gas supplier.
- 8.14 The proposed paragraph H5.37 describes the supplier obligation for post-commissioning obligations relating to smart meters and the Gas Proxy Function. The paragraph states that the obligation is on the Lead Supplier; we believe that this is incorrect. As explained above, the Lead Supplier would always be the electricity supplier in a split dual fuel install although they are not responsible for the gas meter or the process for the Gas Proxy Function. The text in H5.37 should be amended to be 'Responsible Supplier'.

British Gas Consultation Question Responses to additional SEC content following SEC4 (Part A)

- 8.15 The proposed text in H5.37(e) specifically covers the recovery certificate and places the obligation on the Lead Supplier. As stated above, this is incorrect as the Responsible Supplier should only be obliged to do this for their devices. This is particularly relevant for the Gas Proxy Function and the Gas Meter where there is more than one supplier utilising a single Communications Hub.
- 8.16 The proposed paragraph H5.38 places the obligation on suppliers to change the device status to 'suspend' where necessary. This clause currently states that the obligation is on the Lead Supplier but this is incorrect and, as stated above, this should be the Responsible Supplier.
- 8.17 The proposed text in H5.39 gives the right to any Responsible Supplier for a Smart Metering System (that their Gas Proxy Function forms part of) the right to replace the Communications Hub when required. This supports the premise that the Lead Supplier is responsible for maintenance and replacement of the Communications Hub (as referred to in paragraph 8.11 above) as otherwise such permission would not be necessary.
- 8.18 The proposed drafting in H5.40 covers the requirement to ensure that the Responsible Supplier's credentials are on a Type 1 device (other than those referred to in H5.33 or H5.37). The obligation is placed on the Lead Supplier. This is incorrect and, for the reasons stated above, this should be Responsible Supplier.
- 8.19 It is not clear to us why the requirement in H5.40 is for 14 days, rather than 7 days, and why the 'suspension' provisions have not been introduced. The requirement relates to other Type 1 devices which, at the moment, are PPMIDs and HCALCs. PPMIDs do not hold supplier credentials so it is only HCALCs that are, currently, captured by this requirement. It may be that these devices are seen as less of a security concern but this is not made clear in the consultation document. It is also unclear as to what the remedy would be for a failure under H5.40 as, unlike earlier proposals for the more general post commissioning obligations, there is no absolute requirement to replace the device within a prescribed timescale.

Associated limitations of liability

- 8.20 We are supportive of suppliers being protected from loss when gaining a Smart Metering System where the installing supplier has failed to complete the post commissioning obligations.

British Gas Consultation Question Responses to additional SEC content following SEC4 (Part A)

- 8.21 However, the proposed drafting for this is for unlimited liability to apply and is something that we wish to consider further. Losses would be incurred through having to carry out site visits and to physically replace devices. However, there could be other consequential losses due to a security incident that was caused by failure to complete the post-commissioning obligations. The extent of any potential loss may well be affected by the process used for suspension of devices, for example, whether 'suspension' is automatically applied after the 7 days or if it prevents all communication to the device which may, in turn, limit the extent of a potential security breach and associated liability.
- 8.22 We wish to consider this matter further and would welcome a discussion with DECC once our other questions around post-commissioning obligations have been dealt with.

Question 9. At what point should the Recovery Key on a meter be validated?

- 9.1 We believe that the most appropriate time to validate the Recovery Key on a meter would be following its install and commission, using the appropriate service request via the DCC. This could form part of the more general post-commissioning obligations, be required to be completed within 7 days and have the same 'suspension' provisions in place.
- 9.2 It is unclear to us how a recovery key can be validated prior to install and commission and how, if introduced, this would be seen as being sufficiently controlled to then be relied upon. For example, if the check was to be carried out by the same organisation or person that had placed an incorrect key on the meter then the validation check would seem to be pointless.

Question 10. Do you agree with the proposal to move four sections of the SEC (H4, H5, H6 and O3) from the SEC into SEC subsidiary documents, and the proposed changes to the legal drafting accommodate this?

- 10.1. We are comfortable that the relevant sections are moved into SEC subsidiary documents. We would ask that DECC provide a timetable for publication and SEC designation for this documents as soon as possible.
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British Gas Consultation Question Responses to additional SEC content following SEC4 (Part A)

Question 11. Do you agree with the proposed approach to amending the legal drafting to provide for the Secretary of State to direct that an activity is required to be carried out in advance of a specified date instead of a milestone?

11.1 Yes, we agree that it would be a pragmatic approach to have the ability to delink activities from milestones in certain circumstances and that a direction from the Secretary of State would be the most appropriate way to manage this. We would expect any such direction to be consulted upon.

Question 12. Do you agree with the approach and proposed legal drafting supporting Parties undertaking tests equivalent to UEPT and SREPT on their own account?

12.1 Yes, we believe this is a sensible approach and we agree with proposed legal text.

Question 13. Based on our understanding of the DCC's remote testing offering, it may be that a DCC Gateway Connection is required, which would mean that remote testing would only be available to SEC Parties. We welcome views from prospective testing participants on the impact this may have on their plans?

13.1 The requirement to be a SEC Party has no direct impact on us as we already a SEC Party.

13.2 As an existing SEC Party, we believe that it is appropriate for any organisation that is taking a service from the DCC to be a SEC Party. This provides the necessary oversight, rigour and consistency to any process and will also provide equality of commercial arrangements across Users. Equally, the accession process to become a SEC party must remain sufficiently straightforward so as not to exclude any party (for example SMDA Ltd) access to DCC testing services.

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