



Department
of Energy &
Climate Change

**Department of Energy & Climate
Change**
3 Whitehall Place,
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www.gov.uk/decc

The Authority (Ofgem), the SEC Panel,
SEC Parties and other interested parties

22 January 2015

Dear Colleague,

**GOVERNMENT RESPONSE TO THE CONSULTATION ON DATES FOR THE
ENTRY INTO FORCE OF SECTION H15 OF THE SMART ENERGY CODE
(SEC) AND DESIGNATION OF THE DCC GATEWAY CONNECTION CODE
OF CONNECTION FOR INCORPORATION INTO THE SEC.**

This letter sets out the Government's response to its open letter consultation on the timing for incorporating and bringing into force certain parts of the SEC necessary to enable parties to request Gateway Connections from the Data Communications Company (DCC)¹.

The consultation sought views on the Government's proposal that Section H15 of the SEC, which sets out the rights and obligations of the DCC and other SEC Parties with regard to DCC Gateway Connections, should take effect on 19 January 2015 or, if necessary, such later date as falls within the period from 20 January to 16 February 2015 (inclusive). The consultation also sought views on the Government's proposed designation of the DCC Gateway Connection Code of Connection, which states the lower level technical and procedural requirements governing a DCC Gateway Connection, as a SEC subsidiary document on the same date as the entry into force of H15 of the SEC. We also stated that alongside this designation, the Secretary of State would also direct a number of minor consequential changes to Sections A, E3 and H15 of the SEC.

¹ www.gov.uk/government/consultations/smart-meters-the-date-of-designation-for-section-h15-of-the-sec-and-the-entering-into-force-of-the-dcc-gateway-code-of-connection

The Government proposed these timings because SEC Parties had indicated that they are eager to order DCC Gateway Connections to support testing activities. The proposed timings were, however, contingent on two conditions having been satisfied. Firstly, they were subject to the completion of the Parliamentary process to modify the SEC to include various changes including Section H15. These modifications, including H15, were incorporated into the SEC on 14 January 2015. Secondly, the proposed timings were subject to the DCC concluding on its consultation with parties on its proposed DCC Gateway Connection Code of Connection and submitting a suitable document to the Secretary of State for approval for designation and incorporation into the SEC. The Secretary of State is satisfied that the document submitted by the DCC on 22 December 2014 is appropriate for incorporation into the SEC as a subsidiary document, subject to a small number of minor changes which are incorporated in the updated version at Annex A and shown in tracked changes.

However, SEC parties will wish to note that a separate letter of designation will be issued to the DCC directing it to provide additional provisions relating to reporting on the performance of DCC Gateway Connections by 30 June 2015 for inclusion in a subsequent version of this SEC Subsidiary Document. These reporting provisions are not considered so essential for inclusion in the document that their omission should prevent SEC parties from being able to order and have established DCC Gateway Connections. The DCC will be required to consult Parties on this additional content before submitting to the Secretary of State for consideration.

Six organisations responded to the consultation. The majority of respondents strongly supported the Government's proposals, with large energy suppliers pointing out that it is important for SEC Parties to be able to order their connections as soon as is practically possible to enable them to support planned testing activity. Only one respondent, a small energy supplier, opposed the Government's proposals on the grounds that it did not believe that small suppliers had been sufficiently engaged in the development of the Gateway Connection approach. It called for H15 of the SEC not to be brought into effect and for the DCC Gateway Connection Code of Connection not be designated, proposing that a review of the "entire [smart metering] solution" be undertaken.

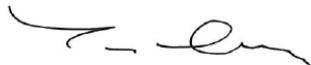
The Government has already consulted on policy and regulation for the provision of DCC User Gateway Connections from 30 June to 25 August 2014 as part of the wider consultation on stage 4 of the SEC². The majority of respondents to this consultation agreed with the proposed approach. Given the previous and current support for this regulation from the large majority of respondents, and the urgency of enabling Gateway Connections to be ordered

² A Consultation on New Smart Energy Code Content (Stage 4) and consequential/ associated changes to licence conditions:
www.gov.uk/government/uploads/system/uploads/attachment_data/file/329306/SEC4_-Consultation_Document.pdf

for testing purposes, the Government is of the view that Section H15 of the SEC should be brought into force as a matter of priority. The Government is also satisfied that the DCC's consultation on the DCC Gateway Connection Code of Connection has met the requirements that are set out in the DCC licence and that it has properly addressed issues raised by respondents.

The DCC suggested an entry into force date of 26th January 2015 to coincide with the date that their revised charging statement for Regulatory Year ending 31st March 2015 becomes effective. The DCC considered that a 26 January 2015 entry into force date would provide clarity and simplicity for Parties. The Government agrees with the DCC's suggestion and the rationale behind it. All of the responses to the consultation can be found on the DECC website.

The Government therefore concludes that 26 January 2015 should be the date for bringing Section H15 of the SEC into effect, designating the DCC Gateway Connection Code of Connection as a subsidiary document of the SEC and bringing into effect minor consequential changes to be made to Sections A, E3 and H15 of the SEC (as set out at Annex B). The Government has issued a letter of designation to this effect. The Government will separately direct the DCC to bring forward by the 30 June 2015 provisions relating to performance reporting for inclusion in a subsequent version of the DCC Gateway Connection Code of Connection.



T J Guy

DECC Delivery
DECC Smart Metering Implementation Programme (SMIP)

(an official of the Department of Energy & Climate Change
authorised to act on behalf of the Secretary of State)

**Annex A - DCC Gateway Connection Code of Connection
(change marked)**

DCC GATEWAY CONNECTION CODE OF CONNECTION

(changes marked)

Definitions

Connection Period	means the period for which a DCC Gateway Connection is to be provided, as determined in accordance with the provisions of clause 1.6 or pursuant to <u>Section</u> H15.18(c).
Contractual Bandwidth	means, in relation to any particular DCC Gateway HV Connection, the maximum number of megabits of data that are permitted to be transmitted each second over that connection.
Electronic Site Review	means a remote, desk-based assessment of the location at which the DCC Gateway Connection is required to assess whether a physical Site Survey is required.
Enabling Works	means any building or civil works, including laying of cables and gaining the necessary wayleaves or consents, required to be undertaken by a DCC Gateway Party and/or the DCC, to enable the DCC to provide a DCC Gateway Connection.
Maximum Physical Bandwidth	means 100 megabits per second (Mbps) or such increases as may be notified to DCC Gateway Parties by the DCC from time to time.

Site Survey

means a physical assessment of the location at which the DCC Gateway Connection is required, to assess whether any Enabling Works are required inside and/or outside the DCC Gateway Party's premises and to detail preparatory works to be carried out by the DCC Gateway Party to be reflected in the offer made pursuant to Section H15.12.

1 DCC GATEWAY CONNECTIONS

- 1.1 Section H15 sets out principal rights and obligations applying to the provision of DCC Gateway Connections which are supplemented by the provisions set out below.

General Obligations

- 1.2 A DCC Gateway LV Connection will provide a download bandwidth of up to 40Mbps and an upload bandwidth of up to 10Mbps or such increases as may be notified to DCC Gateway Parties by the DCC from time to time.
- 1.3 A DCC Gateway HV Connection will provide a bandwidth of up to the Maximum Physical Bandwidth, which can be specified in increments of 10Mbps.
- 1.4 Each Party that wishes to establish a DCC Gateway Connection shall submit a request for a connection,~~— using the application form for such requests as published on the DCC Website. Except in the case of a request made by a Registration Data Provider,~~ sSuch request shall specify the DCC Gateway Bandwidth Option and:
- (a) in the case of a request for a DCC Gateway LV Connection, the Connection Period; or
 - (b) in the case of a request for a DCC Gateway HV Connection;
 - (i) the required Contractual Bandwidth in relation to that connection, provided that the Contractual Bandwidth for any connection shall be an integer multiple of 10Mbps, and shall not exceed the Maximum Physical Bandwidth;
 - (ii) and the Connection Period; and
~~shall be made using the application form for such requests as published on the DCC Website.~~
- 1.5 Following a request for a connection being submitted, the DCC and the Party that submitted the request shall inform each other of the contact details of one or more persons working for their respective organisations for the purposes of communications associated with the establishment and management of DCC Gateway Connection(s). The following information shall be provided in relation to each such

person (and shall subsequently be kept up to date by the providing Party):

- (a) contact name;
- (b) contact email;
- (c) contact telephone;
- (d) contact role(s);
- (e) contact address;

and any other contact details as may be reasonably required by the DCC or the other Party from time to time.

Connection Mechanisms and Period of Connection

- 1.6 Where a DCC Gateway Party wishes to procure a DCC Gateway Connection:
- (a) the connection may be requested for an initial period of either one or three years from the point at which the connection becomes capable of operation provided that, in the case of a connection requested by a Registration Data Provider, the period of connection will not be requested but will be provided in accordance with Section E 3.5(b); and
 - (b) the DCC shall notify the DCC Gateway Party when the connection becomes capable of operation.
- 1.7 The Electronic Site Review and Site Survey constitute (respectively) the desk-based assessment and physical site assessment referred to in Section H15. Where a DCC Gateway Party requests multiple DCC Gateway Connections for a single location at the same time, the DCC shall use all reasonable endeavours to conduct any Site Surveys in a single visit to that location.
- 1.8 Where any Enabling Works are required, the DCC Gateway Party and the DCC shall inform each other of the progress and completion of the Enabling Works.
- 1.9 In the event that a DCC Gateway Party wishes to decrease the Contractual Bandwidth of its DCC Gateway HV Connection during its Connection Period:
- (a) the DCC Gateway Party shall inform the DCC, provided that the requested decrease shall be an integer multiple of 10Mbps;

- (b) the DCC shall reduce the Contractual Bandwidth accordingly as soon as is reasonably practicable and in any event within 30 days of being informed of the required adjustment; and
- (c) the DCC shall provide the DCC Gateway Party with advance notice of the date from which the adjusted Contractual Bandwidth shall take effect.

1.10 In the event that a DCC Gateway Party wishes to increase the Contractual Bandwidth of its DCC Gateway HV Connection during its Connection Period:

- (a) the DCC Gateway Party shall inform the DCC, provided that the requested increase shall be an integer multiple of 10Mbps, and shall not exceed the Maximum Physical Bandwidth of that connection;
- (b) the DCC shall confirm to the DCC Gateway Party the applicable charges arising from the increase as soon as reasonably practicable and in any event within 5 Working Days;
- (c) following notification of the applicable charges, the DCC Gateway Party shall, within 30 days, confirm to the DCC that the DCC Gateway Party wishes to proceed with the increase (and where no such confirmation is provided within 30 days, the DCC's offer to increase the bandwidth at the notified applicable charge shall lapse);
- (d) where the DCC receives confirmation from the DCC Gateway Party within 30 days that it wishes to proceed with the increase, the DCC shall increase the Contractual Bandwidth accordingly as soon as is reasonably practicable and in any event within 30 days of receiving such confirmation; and
- (e) the DCC shall provide the DCC Gateway Party with advance notice of the date from which the adjusted Contractual Bandwidth shall take effect.

Installation, Maintenance and Removal of DCC Gateway Equipment

1.11 Sections H15.20 to H15.28 set out principal rights and obligations relating to DCC Gateway Equipment which are supplemented with the provisions set out below.

1.12 Where the DCC is undertaking works at the DCC Gateway Party's premises for the purposes of installation, maintenance or removal of DCC Gateway Equipment, the DCC shall take all reasonable steps to avoid interrupting the DCC Gateway Party's existing telecommunications services at those premises. In the event that it is necessary to interrupt the DCC Gateway Party's existing telecommunications services:

- (a) the DCC shall take all reasonable steps to provide the DCC Gateway Party with advance notice of the interruption; and
- (b) the DCC Gateway Party shall have the right to request that such interruption be rescheduled, acceptance of such request not to be unreasonably withheld or delayed by the DCC.

1.13 Where the DCC Gateway Party's existing telecommunications services are interrupted as a result of DCC undertaking works as set out in clause 1.12, the DCC shall:

- (a) take all reasonable steps to minimise the length and impact of the interruption; and
- (b) ensure that the telecommunications services are restored as soon as is reasonably practicable and in any event immediately following the completion of the works.

1.14 Where maintenance undertaken by the DCC requires the replacement of DCC Gateway Equipment¹⁴

1.14 the DCC shall remove that equipment within 30 days of the date of the replacement activity¹⁵

1.15; and

1.161.15 In the event that, pursuant to Section H15.28 or the provisions of clause 1.14, DCC Gateway Esueh-equipment is not removed within 30 days, the DCC Gateway Party may dispose of the equipment and shall notify the DCC at least 5 days prior to disposing of the DCC Gateway Equipment, provided that the DCC shall have the right to remove the equipment prior to the end of that 5 day period.

4.171.16 Subject to the obligations in Sections H15.20, H15.21, and H15.28(b) for the DCC to act in accordance with Good Industry Practice, the DCC shall not be responsible for or liable to the DCC Gateway Party for making good any minor repairs to decoration that have become necessary as a result of the DCC's installation, maintenance or removal of DCC Gateway Equipment.

4.181.17 Each DCC Gateway Party shall make available to the DCC all information, facilities and services reasonably required by the DCC to carry out installation, maintenance or removal of DCC Gateway Equipment.

4.191.18 Where reasonably requested by a DCC Gateway Party, the DCC shall provide such information as required by the DCC Gateway Party in order to facilitate the installation, maintenance or removal of DCC Gateway Equipment. Following receipt of that information, the DCC Gateway Party shall have the right to reschedule the visit by the DCC. The DCC Gateway Party acknowledges that rescheduling of the visit required for installation may give rise to the DCC notifying a revised connection date pursuant to [Section H15.15](#) and that rescheduling the visit for maintenance or removal may give rise to corresponding delays for the completion of that maintenance or removal.

4.201.19 Subject to Section H15.24, and except where such steps are necessary on security or safety grounds, each DCC Gateway Party shall not take any steps that may affect the operation of the DCC Gateway Connection without prior agreement of the DCC, such agreement not to be unreasonably withheld or delayed, and shall ensure that no person other than the DCC undertakes any maintenance of the DCC Gateway Equipment.

4.211.20 The DCC Gateway Party shall implement and maintain controls to ensure the physical security of the DCC Gateway Equipment, including that only appropriately authorised persons have access to such equipment, and that this access is recorded in a log maintained for that purpose.

4.221.21 The DCC shall use its reasonable endeavours to comply with any DCC Gateway Party's reasonable requests in respect of installation or relocation of DCC Gateway Equipment. The DCC Gateway Party shall be entitled to make the final decision on the routing of cables and location of the DCC Gateway Equipment,

subject to such decision not impacting on the DCC's ability to provide and maintain the DCC Gateway Connection.

1.23 1.22 The DCC may modify or replace the DCC Gateway Equipment where necessary to maintain the operation of the DCC Gateway Connection, provided that such modification or replacement does not materially diminish the performance of the DCC Gateway Connection, and only after giving reasonable notice of the need to modify or replace the DCC Gateway Equipment to the DCC Gateway Party.

1.24 1.23 The DCC shall wherever possible carry out maintenance of the DCC Gateway Equipment installed at a DCC Gateway Party's site remotely, using the network connection itself to gain access to the DCC Gateway Equipment:

- (a) where reasonably practicable, the DCC shall provide reasonable advance notice to the DCC Gateway Party of such maintenance;
- (b) such advance notice shall be provided to a contact nominated to the DCC for that purpose by the DCC Gateway Party, or otherwise the contact provided pursuant to clause 1.5; and
- (c) the DCC Gateway Party shall have the right to request that the maintenance is rescheduled, acceptance of such request not to be unreasonably withheld or delayed by the DCC.

1.25 1.24 The DCC and each DCC Gateway Party shall provide sufficient information to each other to enable the establishment and maintenance of the network layer connectivity across the DCC Gateway Connection.

1.26 1.25 The DCC shall give the DCC Gateway Party reasonable notice of required site visits to perform installation, maintenance or removal of DCC Gateway Equipment and the DCC shall accommodate the DCC Gateway Party's reasonable requests regarding the timing of such visits.

Reporting Obligations

Left intentionally blank.

Annex B - Changes to be made to the SEC as a consequence of the SEC subsidiary document "DCC Gateway Connection Code of Connection"

- 1 The Smart Energy Code is modified, in accordance with paragraphs 2 to 4 below, with effect from 26 January 2015.
- 2 In Section A –
 - (a) in Section A1, in Section A1.1, in the definition of 'DCC Gateway Connection Code of Connection' after "Appendix" delete "[TBC]" and insert "G"; and
 - (b) in Section A2, in Section A2.1(e)-
 - (i) after "a numbered Paragraph" insert "or a numbered Clause";
 - (ii) after "to the paragraph" insert "or clause"; and
 - (iii) after "the Schedule" insert "or Appendix".
- 3 In Section E, in Section E3 –
 - (a) in Section E3.5(a), after "each comply with" insert "the provisions of"; and
 - (b) in Section E3.7, after "defined terms used in Section H15" insert "and/or the DCC Gateway Connection Code of Connection".
- 4 In Section H, in Section H15 –
 - (a) in Section H15.18(d) –
 - (i) after "the DCC shall comply with" insert "the provisions of"; and
 - (ii) after "provided for in the" delete "applicable";
 - (b) in Section H15.18(e), after "as further set out in the" delete "applicable"; and
 - (c) in Section H15.27, after "the DCC shall either" insert "(in accordance with any provisions of the DCC Gateway Connection Code of Connection concerning the same)".