

Answers to the: Draft DCC Licence and Licence application Regulations

Summary of Consultation Questions

1.

Do you agree with the structure and content of parts 1 and 2 of the licence?

ANSWER:

have no strong opinion on this question

2

Do you agree with the proposed list of licence revocation events, in particular do you agree with the inclusion of revocation triggers linked to:

i) A failure of the DCC to comply with an enforcement notice issued under Section 40 of the Data Protection Act;

ii) A contravention of the licence condition or statutory requirement in a manner so serious as to make it inappropriate for the licensee to continue to hold the licence;

iii) A contravention of the independence Condition 9; and

iv) The licensee no longer being, or never having been, a fit and proper person to carry out the Authorised Activity?

ANSWER:

agrees with the proposed list

3.

Do you agree that the DCC licence should be issued for a fixed-term only?

ANSWER:

believes that this approach allows flexibility in future

4.

Do you have any comments on Chapter 1 of the licence conditions, in particular do you have any comments on the drafting of the definitions?

ANSWER:

have no strong opinion on this question

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5.

Do you have any comments on Chapter 2 of the licence conditions, in particular do you have any views on:

- i) The general objectives of the DCC;
- ii) The way in which the Mandatory and Permitted businesses of the DCC have been constructed;
- iii) The interaction between the mandatory and permitted businesses;
- iv) The proposed general and security controls for the DCC?

ANSWER:

I have no strong opinion on this question

6.

Do you have any comments on Chapter 3 of the licence conditions, in particular do you have any comments on:

- i) the independence requirements of the DCC and the interaction with the revocation provisions;
- ii) the broad condition on protection of confidential information;
- iii) the scope and nature of the role of the compliance officer?

ANSWER:

have no strong opinion on this question

7.

Do you have any comments on Chapter 4 of the licence conditions, in particular do you have any comments on the drafting of:

- i) the transitional obligations on the DCC, possibly as part of a wider transition scheme;
- ii) the proposals for how the DCC would set out its future business development objectives;
- iii) the proposed inclusion of a licence condition that would facilitate future transfer of registration to the DCC?

ANSWER:

have no strong opinion on this question

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8.

Do you have any comments on Chapter 5 of the licence conditions, in particular do you have any comments on:

- i) The procurement obligations, including the balance between what the DCC must competitively procure and what it may self provide;
- ii) The most appropriate role, if any, for the Authority in influencing how the DCC should balance various competing public interests, when preparing for future procurements of Fundamental Service Capability;
- iii) Do you have any evidence from other sectors about how the public interest is taken into account by regulated bodies when making major procurement decisions;
- iv) The obligations on the DCC in relation to provision of services, recognising that these conditions will need to be reviewed in light of a more detailed definition of services; and
- v) The charging methodology provisions, particularly the objectives of the methodology?

ANSWER:

have no strong opinion on this question

9.

Do you have any comments on Chapter 6 of the licence conditions, in particular do you have any comments on :

- v) The scope of the SEC as set out in the SEC condition and the SEC objectives;
- vi) Whether the DCC should have a licence obligation to maintain and keep in force the SEC;
- vii) The proposal to allow the Secretary of State to block SEC modifications in the period up to 31October 2018; and
- viii) The way in which interoperability should be addressed through the SEC objectives?

ANSWER:

believes that interoperability should be a SEC obligation

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10.

Do you have particular comments on how best to ensure the consumer interest is met in the SEC Objectives, in particular:

iii) Can you identify any potential scenarios where a modification might be proposed which would be in the interests of consumers but which would not be supported by the objectives set out for the code; and

iv) If you think the objectives could be set out to better capture the interests of consumers, as opposed to the proposed approach for SEC objectives to be balanced in the round with due regard for energy consumers' interests, how do you think this could be done?

ANSWER:

does not have any view on this.

11.

Do you have comments on the proposed condition allowing the Authority to put forward code modifications and for this power to be limited to specific areas defined in the SEC?

ANSWER:

does not have any view on this.

12.

Do you have any comments on Chapter 7 of the licence conditions, in particular do you have any comments on:

- i) The proposals in relation to financial security, in particular the requirement to provide a performance bond in addition to financial security?

ANSWER:

does not have any view on this.

13.

Do you have any comments on Chapter 9 of the licence conditions, in particular do you have comments on:

- i) The need for the revenue restriction conditions in the DCC licence to evolve as the DCC's role changes;

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- ii) The need to incentivise the DCC to concentrate on achieving programme milestones at the beginning;
- iii) The proposal that the DCC's internal costs should be passed through with a (£/annum margin applied;
- iv) That incentives on reduction in the DCC's internal costs and on output measures should be applied later;
- v) That the DCC should be subject to an element of bad debt risk unless it takes reasonable measures to recover such debt; and
- vi) Particular KPIs that could be applied to the DCC after it starts to deliver services?

ANSWER:

would broadly support these proposals.

14.

Do you have any comments on Chapter 10 of the licence conditions, in particular do you have any comments on:

- i) The proposed arrangements applying to Management Orders, including the scope of the powers of the Authority in such circumstances;
- ii) The arrangements proposed in relation to the Business Handover Plan and the process for resolution of matters between the outgoing and incoming DCC;
- iii) The scope of matters that the Business Handover Plan should provide for;
- iv) The scope of the matters that may need to survive for a period of time to continue to ensure a smooth handover to the DCC's successor and whether the two year timeframe is appropriate; and
- v) The proposed approach to Intellectual Property Rights?

ANSWER:

does not have a view on this

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These Answers were previously submitted to DECC for 16th May

15.

For the initial licence application, do you agree with the Government's intention to apply the BAFO stage in all circumstances, so as to mitigate the risks associated with the changing requirements and improve the competitive outcomes?

ANSWER:

has no objection to this proposal

16.

Do you agree with the proposal not now to include a fast-track process to appoint a temporary DCC, but instead to rely upon the provisions for intervention to keep the DCC's service functioning whilst a standard licensing application process is conducted to appoint an enduring successor DCC?

ANSWER:

agrees with this proposal

17.

Do you have any comments on the proposed competitive application process for the DCC licence and, in particular, on the Government's stated intention to operate an extensive 'best and final offer' stage for the first licence competition?

ANSWER:

are in agreement with this proposal

18.

Do you have any comments on the draft DCC licence application regulations and, in particular, whether they effectively implement the proposed competitive application process described in this consultation document?

ANSWER:

has no comment on this question