



Smart Metering Implementation Programme – Product Delivery
Department of Energy & Climate Change
Orchard 3, Lower Ground Floor
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London
SW1H 0ET



29 May 2015

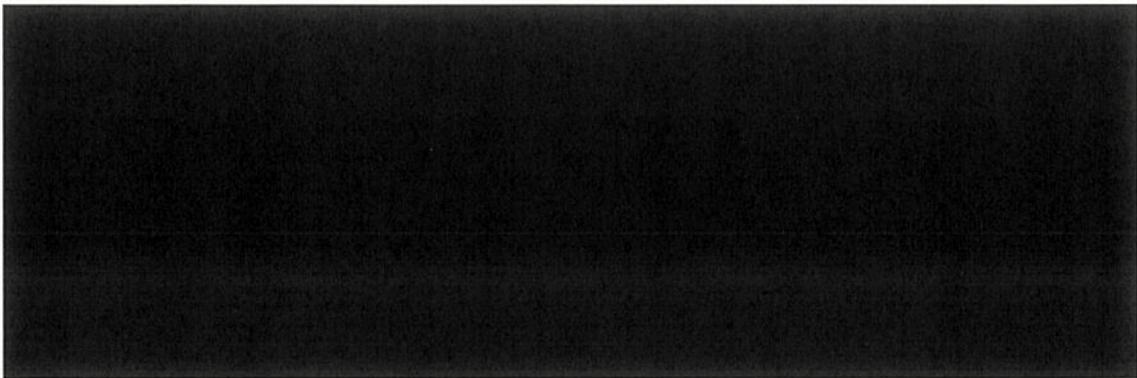
Dear Sirs

Smart Metering Implementation Programme: consultation on new Smart Energy Code content and related licence amendments

Thank you for the opportunity to respond to the above consultation. This letter should be treated as a consolidated response on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. It is not confidential and can be published on DECC's website.

We have provided answers to the consultation questions in the appendix to this letter and hope that you will find our comments helpful. If any part of our response requires further explanation or clarification, please do not hesitate to contact me.

Yours faithfully



Appendix

Smart Metering Implementation Programme: consultation on new Smart Energy Code content and related licence amendments – UK Power Networks' answers to the consultation questions

Performance Reporting

Question 1: Do you have any comments on the additions to the Reported List of Service Provider Performance Measures (Annex E)? Do you have any comments on the revised legal drafting in Section H13 and the proposal to incorporate Section H13 into the SEC towards the end of 2015?

We are supportive of the proposed additions to this list of performance measures and of the revised legal drafting, which improves scope and clarity of reporting. We agree that the revised drafting should be incorporated into the SEC towards the end of 2015, as this will provide certainty in this area prior to market opening.

Question 2: Do you have any comments on the proposal for the Secretary of State to formally identify the initial Reported List of Service Provider Performance Measures?

We consider that the proposed actions of the Secretary of State are an effective way of enacting these reporting requirements.

Scope of Risk Management Obligations for Users

Question 3: Do you agree with the proposal, and associated legal drafting, to extend the scope of User risk management obligations to include systems that are used to secure communications with the DCC?

We agree with the proposal, and associated legal drafting, to extend the scope of secure communications as this is consistent with good industry practice.

Confidentiality

Question 4: Do you agree with our proposal to limit DCC's liabilities in all cases to £1 million when breaching confidentiality of sensitive information and to consequentially amend confidentiality markings? Please provide a rationale for your response.

The proposed change to the two-tier regime for sensitive information adds proportionality to the risks and penalties and therefore we support this change. However, there remains a small inconsistency in that DCC is not actually subject to the unlimited liabilities on classified data. We note that DCC is restricted in when the classified category can be used but seek clarity from DECC that they are comfortable with this inconsistency.

Question 5: Do you agree that Parties should nominate to the DCC individuals eligible to receive sensitive information marked as 'classified' to be able to receive such information? Please provide a rationale for your response.

Yes. We agree that Parties should be required to nominate to the DCC individuals to receive classified information, as this will allow parties to put processes and controls in place to manage their liability.

Other SEC Amendments

Question 6: Do you have any comments on the proposed amendment to the drafting in Section M8.6 which reinstates the ability of the Panel to remove a Defaulting Party's right to receive core communication services or local command services, but subject to the consent of the Authority where that Party is acting in the capacity of registered supplier or registered network operator?

We are supportive of the proposed amendments to the drafting as these clarify the difference between licensed and non-licensed roles.

Security Licence Condition covering DCC Enrolled Smart Meters

Question 7: In relation to the proposed licence condition requiring suppliers to take all reasonable steps to secure systems used to communicate with DCC enrolled meters, do you agree with the proposed approach and legal drafting?

We have no specific comments in respect of this question.

Implementation Performance Regime

Question 8: Do you have any comments on the scope for further amendments to each Implementation Due Date and Implementation Milestone Criteria?

We consider that the proposed change adds a degree of clarity and control to the process should changes be required.

Question 9: Do you have any comments on the amendments to the definition of 'Baseline Margin Implementation Total'?

We have no specific comments in respect of this question.

