



Response to DECC Consultation: provisions in the Smart Energy Code concerning financing of communications hubs and consequential changes to the DCC licence.

Question: Do you agree that the proposed changes to condition 11, 27 and 36 and Annex 5 Schedule 1, are necessary to align the DCC Licence with the communications hubs financing provisions in the SEC?

In our response to the original SEC2 consultation last year, we raised a number of concerns concerning the four additional provisions that are proposed. These remain, particularly concerning the third proposed option of the provision of a three month float.

However, we have very much appreciated the chance to discuss the issues arising from these proposals with DECC in the intervening period, to further understand the rationale for the proposed introduction of these.

As a result whilst we still have reservation over the approach and principle of introducing these into the SEC, we believe that the opportunity to achieve lower cost financing arrangements for communication hubs should not be missed and therefore we have no material objection to the introduction of the proposed changes to the SEC at this time.