



# British Gas

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DECC Consultation on a draft licence condition relating to security risk assessments and audits in the period before the DCC provides services to smart meters

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British Gas response  
26th July 2012

**Question 1. Do you consider that the draft licence conditions deliver the policy intention outlined in this document? Please provide comments on where the drafting could be amended or clarified**

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- 1.1 We are satisfied that the drafting delivers the policy intention outlined in the document. We believe that the draft licence conditions are proportionate, effective and strike the right balance between supplier responsibility and external assurance.
- 1.2 The point at which the conditions will cease to take effect is specified as the go-live date for the Smart Energy Code, because this will signal and be coincident with the start of the DCC operations. It is unclear from this what security obligations will apply to meters installed but not adopted or enrolled by the DCC and we will need clarification on this point in due course. We note the Government's intent to consult further on the enduring security arrangements.
- 1.3 From the reference in section 2.4 to 'all smart metering systems' it our assumption that the Conditions will include pre-SMETS meters, which we agree is appropriate. The SMETS definition is helpful in defining the scope of any obligations however and a definition of smart metering systems may be required to remove any potential ambiguity over which meters are covered and which are not.
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**Question 2. Do you have any comments on the proposed approach that suppliers should carry out a number of good practice security disciplines and procedures as is set out in this document??**

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- 2.1. We think that the document has taken a proportionate approach to the security threat and we agree with the scope of the security policy set out in the document. A risk-based approach is the right one, based on good practice and leading industry standards.
- 2.2. We agree that ISO27001 is the relevant standard to apply and fully support the 'alignment' with that standard as being more appropriate than the

certification of compliance, which could bring delay.

- 2.3. The requirement to conduct independent annual assessments is sensible and for senior management to record and demonstrate their responses to those assessments, to provide a further level of assurance. We have some concerns that the backstop date for the first of these, which is the one that will require the most planning and preparation, should be within a six month period of the conditions taking effect. Even if longer were allowed, it would not be our intention to delay the external audit to the outer limit of the time available but it might helpful to allow for any practicality issues. We see little risk in extending the allowable period to 9 or 12 months.
- 2.4. We note the proposed role of Government and the Authority. We accept that Ofgem should have the ability to 'intervene' and to issue directions in relation to end-to-end security, but it would be helpful for all parties if clarification could be provided on the criteria that might prompt such action.

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Question 3. Do you have any further comments with regard to the issues raised in this document? We also welcome general comments around the approach to small suppliers, the processes expected of suppliers in general, and any related costs

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- 3.1. We welcome the approach DECC has taken on this topic. The proposed approach places obligations on the right parties, sets a sensible minimum standard, specifies appropriate components and disciplines of a security management system, delivers confidence and consistency through external assurance and retains flexibility to modify and act in the light of experience.