

Smart Metering Implementation Programme – Regulation Team  
Department of Energy & Climate Change  
3 Whitehall Place  
London  
SW1A 2AW

1 June 2012

Dear Sir,

Re: SMIP: Consultation on Smart Energy Code (April 2012)

Thank you for the opportunity to respond to the DECC consultation on the Smart Energy Code (SEC). Northern Gas Networks Ltd (NGN) operates as the Gas Transporter (GT) for the north of England and Yorkshire with approximately 2.4million domestic and small industrial and commercial businesses connected to 37,000km of pipeline. It is in the capacity of Gas Transporter that this response is made, and therefore NGN has only answered the questions directly relevant to it. Responses to the relevant individual questions are attached.

NGN has welcomed the consistency of the governance arrangements for the SEC with the outcome of the Ofgem Code Governance Review (CGR). This consistency ensures that market participants are familiar with the principles of the code, although the detail varies from code to code. The overarching provisions of the SEC appear reasonable at this time, but it should be acknowledged that the detailed rights and obligations will need careful development to ensure that parties can operate efficiently within the smart metering environment and that interaction with existing codes does not create areas which require dual governance.

In respect of Data Communications Company (DCC) funding, it should be noted that the GTs have not made specific requirements for funding within the RIIO GD1 price control at this time due to its uncertain nature. It also remains unclear how GT funding will be provided to facilitating DCC access control will be made. Such funding arrangements need to be considered and resolved to ensure that we are not exposed to risk from this aspect of smart metering. As a general principle we consider the primary funding should be directly from suppliers rather than funding via the GTs which is then charged on to suppliers. This also avoids unnecessary complexity in the underlying GT price controls.

I hope you find these comments useful and please contact me should you require further information.

Yours sincerely,

#### Smart Energy Code consultation

### **Chapter 3: SEC Party Categories**

**Question 1** – Please provide any comments that you have on the classification of party categories under the SEC.

**Response** – NGN believe that the classifications for each party is appropriate as these are the parties that will be directly affected by smart metering obligations. We do not believe that it will necessarily be a requirement for gas shippers to accede to the SEC when registration of suppliers' takes place within the SEC. Current industry governance is capable of placing obligations onto shippers through their supplier. For example, currently there are obligations on shippers within the UNC which specifically provides for the supplier to be the data provider. This mechanism could similarly be utilised to pass information relating to shipper activity through the SEC.

### **Chapter 4: Involvement of the meter services community**

**Question 2** – Are the requirements of both meter asset providers and meter operators for access to smart metering systems adequately captured in this consultation paper? If not, please provide additional details of the requirements and why they are required.

**Response** – Yes, these requirements are consistent with the existing principles within other industry codes for access to data.

**Question 3** – Do you support the Government's preferred solution to implement a simple variant of Option B whereby the registration of a meter operator under the existing electricity and gas registration systems would be deemed to constitute a nomination by the supplier of that meter operator to act as its agent to perform a specific set of commands?

**Response** – It is practical to utilise existing industry arrangements in this way and ensures that changes to existing data provisions can facilitate this access.

**Question 4** – Should meter operators be given limited participation rights in the SEC governance under Options B and C, and if so what rights would be appropriate?

**Response** – It should not be necessary for meter operators to be SEC parties as contractual arrangements with suppliers should afford them the necessary data requirements. It may be appropriate to afford some non-SEC parties rights to raise Modifications within the rules if they are materially affected parties. This principle exists within the UNC in relation to changes to charging methodology and the test of being a materially affected party is taken on a case by case basis without needing to allow unlicensed parties permanent rights under the SEC.

**Question 5** – Would you support the tracking of assets being included within the future system requirements for the new registration systems, which are proposed to be provided by the DCC?

**Response** – Asset data is currently included within the existing gas registration databases. This information is required to carry out the necessary calculations to convert meter readings into energy for settlement purposes. For energy settlement arrangements to remain with the gas transporters, this information will continue to be required, although the source of the data may change with future arrangements. Overall, if changes are made to the existing arrangements they should only be made if evidence shows that the benefits of making industry wide changes exceed the costs.

### **Chapter 5: Accession to the SEC**

**Question 6** – Do you agree with the process proposed for accession and the accession time limit?

**Response** – This process is consistent with arrangements elsewhere in the industry, although not identical to those used for either the UNC or SPAA. They seem reasonable and it is appropriate to allow the SEC Panel discretion at the 6 month time limit.

**Question 7** – Do you agree that once acceded, any SEC Party should be able to participate in the governance of the SEC prior to undertaking further entry processes?



**Response** – It is consistent with existing gas codes that accession allows parties all rights without the requirement for further processes.

**Question 8** – Do you have any views on the company, legal and financial information that should be provided as part of the SEC accession process?

**Response** – NGN believes that the information should be similar to that collected in existing codes, which includes legal status of the organisation, contact details for regulatory purposes, and proposed future activity which can be used to make assessment on necessary credit security. From a Gas Distribution Network (GDN) perspective it would be useful to be able to obtain some information about geographic intentions of new parties. Such information is required during the UNC processes and provides valuable information for GDNs to manage their processes.

#### **Chapter 6: Using the DCC's communication services**

**Question 9** – Do you agree that Government should not mandate a specific solution for the DCC User Access Gateway and that the Data Service Provider (DSP) bidders should be invited to propose the solution which they consider to be the most effective (such proposals could include the option of extending an existing industry network)?

**Response** – By using an open competitive process, it is more likely that the eventual solution for the gateway will be cost effective and suitable for the SEC purposes. While existing mechanisms exist within both the gas and electricity regimes, neither are currently installed with all prospective SEC parties.

**Question 10** – Do you have any other comments on the Government's proposals for the DCC User Gateway?

**Response** – Not at this time.

**Question 11** – Do you agree with the proposed DCC user entry processes?

**Response** – the DCC requirements to ensure appropriate security through the gateway seem appropriate. It is important to ensure that the specific requirements, when established, are proportionate and will not unnecessarily disadvantage smaller industry participants.

#### **Chapter 7: Enrolling, withdrawing and replacing smart metering systems**

**Question 12** – Do you agree with the proposed rights and obligations relating to smart metering system enrolment set out in this chapter?

**Question 13** – Do you agree that the SEC should require, as a condition of enrolment, that the supplier grants the right to the DCC to access its smart metering systems for specified purposes?

**Question 14** – Do you agree with the proposed rights and obligation to smart metering system withdrawal and replacement of devices?

**Response (all questions)** –Not applicable to GDN activity.

#### **Chapter 8: The DCC's provision of communication services**

**Question 15** – Do you agree that the three different types of eligibility to receive core communications services that have been proposed?

**Response** – the separation of services to eligible party types allows for quick and effective initial verification prior to carrying out full validation of the requesting party. This classification should also allow groups of users to have suitable control over proposed changes to these core services.

**Question 16** – Are you aware of situations where there are two or more importing suppliers in relation to a single smart metering system and if so, where for such situations exist, how many exist and what metering arrangements have been made?

**Response** – N/A for gas.



**Question 17** – Do you agree that amendments to the set of core communications services should be subject to the standard SEC modification process?

**Response** – it is essential that parties have visibility and ability to influence control of core services. The codes modification processes within gas ensure that all parties are aware of potential change and have an opportunity to influence this. It is appropriate that such changes within the SEC are subject to the same opportunity.

**Question 18** - Do you agree that SEC Parties should be able to request elective communication services from the DCC on either a bilateral or multilateral basis?

**Response** – in the case of a party requesting a service that is of a generic nature that is likely to be of use to other users, it would be efficient for such requests to be made on an open basis. This provides an opportunity for the costs associated with development to be shared with other potential users and provides transparency of services provided. In cases where requests are company specific and likely to have impact on matters of commercial sensitivity bi-lateral services would be appropriate. The DCC may be able to assess the likelihood of requested elective services being suitable for each path and advise the requestor accordingly. All requests for services should be costed in a transparent and cost reflective manner.

**Question 19** – Do you agree that the following SEC requirements associated with the provision of core communication services should also apply to elective service provision; DCC user entry processes, technical security requirements, data privacy requirements, financial security requirements and dispute arrangements?

**Response** – for DCC elective services that are provided to SEC parties it is appropriate that the same level of scrutiny is applied to all parties to ensure a level playing field.

**Question 20** – Do you agree that the SEC should set out mandatory procedures for the provision of an offer of terms for elective communication services by the DCC and with the mandatory procedures proposed? Do you consider that any additional procedures should apply? What do you consider are the appropriate timescales within which an offer of terms should remain open?

**Response** – while it is useful to have a standard application process and SLAs for responses to requests, these need to be reasonable and not jeopardise the provision of core services. It may be appropriate for a non-SEC request process to operate alongside the SEC to facilitate such requests which do not require the full modification process. It is important to consider the nature of each request to establish the full delivery timescales, but a standardised process can ensure that parties are kept up to date with all necessary development aspects.

**Question 21** – Do you agree that commercially sensitive terms and conditions associated with elective services provision, which might include the type of communication that is being provided, performance standards associated with the provision of that service and the price associated with that service, should be confidential between the DCC and the party or parties receiving the service unless the party or parties receiving the service consent or unless requested by the Authority pursuant to the DCC Licence?

**Response** – there may be some elective services which require commercial sensitivity, however, as long as the charging methodology remains cost reflective it does not need to be necessary for all details of services to be in the public domain.

**Question 22** – Do you agree that the SEC should contain provisions requiring that the DCC notifies SEC parties of the timing of the implementation of changes to the system?

**Response** – similar to the UNC requirements contained within section U, the SEC should have suitable notification periods to enable all SEC parties to also make necessary changes to systems. Minimum notification periods may vary dependant of the type of change and complexity. This ensures that all parties are able to take services without uncertainty about the means of obtaining the services.



## **Chapter 9: DCC charges**

**Question 23** - Do you think that the proposed approach for DCC charging is reasonable?

**Response** – The principle of cost reflectivity is important in this context, and the method of allocating DCC costs needs to reflect the main beneficiaries of the services. GDNs are unlikely to be material users of DCC services and therefore any element of fixed costs attributable to our use will be negligible. The main benefits of DCC services will be focussed on suppliers and it is therefore appropriate that they bear the fixed costs of the DCC. GDNs are subject to allowed revenue which is relative to our efficiently incurred costs and is set for price control periods. The GDNs have recently submitted business plans for the period 2013 to 2021 to the Authority, and these do not currently include costs associated with being party to the SEC or interacting with the DCC. If it is deemed necessary for GDNs to incur an element of the fixed costs of the DCC this creates a requirement for our price control matters to address these uncertain costs. As all GDN costs are ultimately borne by shippers and suppliers these costs will be passed on through our transportation charges. To avoid the need for more complex arrangements within the price control period it would be more practical and transparent for suppliers to bear the costs of the DCC directly.

It should also be noted that there is a current expectation that the Gas Transporters, through their agent, will provide information to the DCC to enable access control to operate efficiently. The exact nature of the obligations has not yet been established, although it can be assumed that this will be either directly through the GT Licence or contained within the SEC as an obligation on Gas Transporters. The funding of this arrangement has also not been established and the Gas Transporters are currently carrying out work to establish how to efficiently facilitate this. Elements of the necessary changes may be carried out through the UNC to obligate shippers to pass information to the central supply point register, but the onward transmission of this data to the DCC, including obtaining and transmitting iGT data, will incur both development and ongoing costs for which the funding has not yet been established.

**Question 24** - Do you consider that the "pay now dispute later" approach is consistent with the envisaged DCC regime? If you disagree please set out the reasons for your preferred approach.

**Response** – this approach is consistent with the energy regime in gas and ensures that the neutrality of the system operator is maintained. Where services and charges will be largely predictable as would be the case for GDNs, this approach does not raise any specific concerns.

**Question 25** - Do you accept that bad debt should be socialised explicitly within the current charging period across all DCC service users? If you disagree please set out the reasons for your preferred approach.

**Response** – socialisation of debt where the organisation incurring it has limited control over the parties it contracts with is a reasonable approach. While share of service may change in early years as roll-out progresses basing the share on the previous periods proportion of the DCC charges may lead to some anomalies, and a more precise allocation based on the duration of the debt having been occurred may be more appropriate, however, these proposals offer a reasonable starting point which can be further developed later within the SEC should parties feel it necessary.

## **Chapter 12: The SEC Panel**

**Question 27** – Do you agree with the proposed functions, powers and objectives of the SEC Panel, as set out in Boxes 12A and 12B?

**Response** –these powers are consistent with the principles of the CGR and that of existing industry codes. The extent to which some of these activities may be carried out by the Code Administrator to ensure efficiency will need to be addressed in the more detailed drafting of this section of the SEC.

**Question 28** – Do you think that a fully independent panel is the appropriate model for the SEC? Please give reasons for your answer.



**Response** –complete independence of panel members is difficult to obtain. The terms of all aspects of decision making by the panel should be based on the wider community together will assessment against the relevant objectives for SEC Modifications. As noted in Q27, the more administrative aspects of the SEC Panel duties may be carried out by the Code Administrator with a view to ensuring efficiency and non-preferential treatment of all parties.

**Question 29** – Do you agree that the proposed SEC Panel composition set out in Box 12C is appropriate? Please give reasons for your answer, Alternative proposals for the panel composition are welcome.

**Response** –As suppliers will have more obligations and rights through the SEC it is appropriate that they have an appropriate weight on the Panel. It is important that all parties affected by change are able to suitably influence those changes, and by ensuring a transparent change process with appropriate consultation views of all parties can be considered by the SEC panel. The inclusion of consumer representatives on the panel is consistent with the CGR and the constitution of other panels.

**Question 30** – Do you agree with the proposed division of voting and non-voting members, and in particular do you believe that the DCC should be a non-voting member in respect of any or all aspects of panel business?

**Response** –the division of voting and non-voting members is consistent with other industry codes. It is appropriate for a consumer representative to be able to express views, although whether this is required to be a full voting right may be dependent on the subject matter in hand. The inclusion of a discretionary voting member could be used to ensure that an affected non-code party that is likely to be impacted by a particular modification has an appropriate voice in the decision making process. The DCC, as a SEC party, is likely to be affected by modification to the SEC, and to that extent it is appropriate for them to be able to vote, although the extent to which SEC change is considered a pass-through item in the terms of their allowed revenue should also be considered as it could be that the impact of change is not material or exposing the DCC to any risk.

**Question 31** – Do you agree that the proposals for the independence, appointment and term of office of the panel chair are appropriate? Please give reasons for your answer.

**Response** –the independent chair is an important aspect of existing codes. It ensures that a fair and even handed approach is taken with all code parties in matters of governance. The tenure of an independent chair needs to consider the extent to which the chair will be expected to have industry knowledge or whether the position is purely administrative. Consistency is an aspect of the UNC that has provided useful insight into historic issues that the Panel has needed to consider. A three year tenure seems a reasonable starting point.

**Question 32** – Do you agree with the proposed arrangements for panel member elections and appointments?

**Response** –the appointment of group members on a 1 or 2 year basis to ensure that not all members change at the same time offers continuity in panel matters. The GTs have agreed to utilise such an arrangement for SPAA representation. This allows for a fair sharing of responsibilities and maintains vital aspects of continuity. The appointment basis for each group is likely to be different and should be open and transparent in all cases.

**Question 33** – Do you agree with the proposed rules in respect of proceedings and decision making at SEC Panel meetings?

**Response** –the use of a simple majority for decision making ensures that clear, unambiguous decisions are made in a timely manner.

**Question 34** – Which of the two options for remuneration of panel members do you prefer, and why?



In particular which of these options do you believe would be most aligned with each of the options for the panel to be either an independent or a representative body as a whole?

**Response** – DECC proposals to remunerate SEC representatives either directly for expenses incurred, or as a specific payment for panel duties is not consistent with either the UNC or SPAA to which NGN are party. If appointment to the various classes is carried out openly and allows for all parties within each class to have the opportunity to take on the responsibilities of panel membership, it may not be necessary to make specific arrangements. We are, however, conscious that the remit of the SEC Panel is wider than that of the UNC or SPAA, and consider that if specific remuneration is considered it would seem appropriate to keep this to reasonable expenses incurred.

#### **Chapter 13: Code Administrator and Secretariat**

**Question 35** – Do you think the Code Administrator and Secretariat chosen by the SEC Panel should be contracted through the DCC or through a SECCo?

**Response** – it would seem more efficient to carry out the contracting through the DCC rather than creating a new SECCo specifically for this purpose.

**Question 36** - If a SECCo was established what should its funding arrangements, legal structure, ownership and constitutional arrangements be?

**Response** – if a SECCo is established it would be appropriate for funding, ownership and governance it be aligned to the code parties.

#### **Chapter 14: Modification process**

**Question 37** – Do you have any views on the proposals regarding which parties should be entitled to raise SEC modification proposals?

**Response** – the parties that can raise modification is consistent with the UNC and seems appropriate

**Question 38** – Do you have any comments on the proposed standard progression paths for different categories of modification?

**Response** – the standard progression paths are consistent with the output of the CGR and that of existing industry codes and seem appropriate

**Question 39** – Do you have any comments on proposed criteria that the panel would apply to judge whether a proposal is non-material and so to determine which path should be followed?

**Response** –The criteria laid out are consistent with the CGR but it will be a matter of the final legal drafting within the SEC to assess the practicality of such assessments.

**Question 40** – Do you think it is for the panel or for the Authority to decide whether a modification proposal should be considered urgent and determine its timetable?

**Response** – within the UNC urgency is a matter for the Authority, although it is considered alongside the views of the panel. Ofgem consulted in 2011 on the criteria for urgency and this has provided further clarity on which proposals are likely to be successful in obtaining urgent status. As the progression of urgency is likely to be requested for matters of some materiality, it is appropriate for the Authority to make the final assessment on this path.

**Question 41** – Do you have any views on whether any non-standard modification rules and procedures should apply to any particular parts of the SEC?

**Response** – it may be appropriate for a separate set of modification rules to apply to matters relating to technical changes or modification rules. Until the full scope of the SEC is established this cannot be considered fully.



**Question 42** – Do you agree with the proposal that responsibility for making final decisions or recommendations on SEC modification proposals should always rest with the SEC Panel and that this power should not be capable of delegation?

**Response** – it is inappropriate for the final decision making of the Panel to be delegate to non Panel parties. It may, however be appropriate for the terms of reference of some workgroups to be able to make limited decisions that will not impact on the text of the SEC.

**Question 43** – Are there any further matters relating to the modification process which you would like to comment on?

**Draft Response** – not at this time.

#### **Chapter 15: Reporting**

**Question 44** – Do you agree that that the SEC should place certain obligations on the SEC Panel and, possibly, SEC Parties with regard to the production, provision and publication of certain information and reports? If so, what do you believe these should be?

**Response** – The CACoP reporting should be produced in co-ordination with the Code Administrator and reviewed on a regular basis by the Panel. This can provide opportunity to refine Panel operation and the Modification Rules if certain areas are showing to be problematic – this is consistent with the UNC reporting at present. Further reporting by parties to the Panel, including audit reports and compliance is consistent with the wider duties and responsibilities of the Panel. This is a logical means of ensuring that key information relating to the DCC operation is made available to the wider community. Compliance reporting of individual organisations should be made on a confidential basis, with aggregate information being made available if necessary. Compliance with the SEC can be dealt with by the Panel for some matters, but more serious matters may need Authority intervention. The Panel is well placed to escalate information to the Authority should it need to. This is similar in nature to the SPAA Executive Committee role, which undertakes some business in a closed, confidential session.

#### **Chapter 16: Compliance and assurance**

**Question 45** - Are there any particular areas of risk that you believe should be addressed by appropriate compliance/assurance techniques under the SEC?

**Response** – Data access and privacy aspect will be assured by appropriate ISO accreditation. The process of accreditation may be onerous on smaller organisations, and policy should be in place to operate to these standards where the full accreditation is not available. Use of data is the aspect of the energy industry that has had the most scrutiny throughout the SMIP development and we consider these issues to be well in hand. Further areas that may require specific compliance/assurance techniques will be dependent on the more detailed aspects of the SEC and until these are available it is not possible to identify further areas of scrutiny.

**Question 46** - Do you have any views on the most appropriate governance arrangements for any compliance/assurance framework under the SEC?

**Response** – the reporting framework to the SEC panel with appropriate escalation to the Authority should provide assurance to all SEC parties.

#### **Chapter 17: Liability provisions**

**Question 47** – Do you have views on the options for the creation and enforcement of liabilities between the DCC and service users described in this chapter?

**Response** – liabilities should be proportionate and act as an incentive for certain performance behaviours. A clear, unambiguous set of measures and associated liabilities need to be contained within the SEC so that all parties have no doubt on the requirements on them. A range of measures may be appropriate depending on the specific activities being monitored and assessed.



**Question 48** – Do you agree that there should be a cap on liability for specific types of breach between the DCC and service users (including security breaches and physical damage). If so, what do you believe the appropriate level of these caps to be?

**Response** – it is reasonable to have a cap on liabilities so that parties are not subject to open ended liability. These caps should be proportionate to the measures being monitored and assessed. The overall level of the cap needs to consider the overall risk framework and opportunity for mitigation of liability of the parties being assessed.

**Question 49** – Are there any other specific types of liability between the DCC and service users that should be addressed in the SEC? If so, how should these be treated?

**Response** – Not at this time. Until clearer detail of the rights and obligations of the parties is available it is not possible to assess the suitability of specific liabilities.

**Question 50** – Do you have views on the options for the creation and enforcement of obligations and liabilities between SEC Parties (excluding the DCC) described in this chapter?

**Response** – Liabilities between SEC parties could be difficult to monitor and administer. There will be limited areas where parties will interact directly with each other through the SEC other than issues of shared equipment which does not impact on GDNs.

**Question 51** – In your view, do any of the potential matters between parties described in this chapter (or any other such matters that you are aware of) merit the inclusion of obligations or liabilities that are directly enforceable between parties under the SEC?

**Response** – No views at this time - as noted above, such interactions are unlikely to impact on GDNs

**Question 52** – Do you agree that it would generally be preferable to enforce party obligations "centrally", for example through an appropriate compliance or assurance framework under the SEC?

**Response** – The USRV regime within the UNC which issues liabilities monthly and redistributed quarterly between users. This arrangement can work efficiently and should include provision of an administrative element for the central neutral body to cover cash flow risks and administration costs.

**Question 53** – Are there any scenarios where you believe that it would be appropriate to allow for cost recovery between parties under the SEC? If so, what form should these arrangements take?

**Response** – this may be appropriate for third party damage to equipment where it can be proven, however, this is likely to be a grey area. This has been the subject of considerable discussion throughout the SMIP development and remains unclear how such matters could be managed efficiently and effectively.

#### **Chapter 18: Dispute resolution**

**Question 54** – What types of disputes do you believe might arise under the SEC?

**Response** – disputes relating to rights of access to smart metering systems, or performance of DCC activity are most likely in the smart environment. Clear rules for technical specifications and accession should minimise this type of dispute.

**Question 55** – Do you agree with the proposed framework for resolving various different categories of dispute, as outlined in this chapter?

**Response** – it is reasonable to expect parties to resolve disputes bi-laterally in the first instance. Suitability of smart metering equipment is not an area that NGN can respond to as we do not anticipate being a direct metering party. For accession disputes, clear rules should mitigate this type of dispute, but it is appropriate for this to be able to be escalated to the Authority if necessary. Escalation to the Authority should only be as a last resort where resolution has not been possible through bi-lateral discussions.



#### **Chapter 19: Suspension of rights and expulsion in the event of default**

**Question 56** - Do you have any views on the suggested framework for dealing with defaults under the SEC, including the events, consequences and procedures described? In particular, do you agree with the proposed role for the SEC Panel and have any view on what SEC rights or services it would be appropriate to suspend in the event of a default?

**Response** – the default provisions are consistent with those within the UNC and the SPAA. It is important that the responses to particular events is proportionate, reasonable and enforceable. Without further detail on the specific provisions for each event it is not possible to comment further.

#### **Chapter 20: Ceasing to be a party to the SEC**

**Question 57** – Do you agree with the proposed rules and procedures governing withdrawal and expulsion from the SEC described in this chapter?

**Response** – until such time as the detailed aspects of the SEC are available for review it is not possible to respond in detail to the proposals. Clear, unambiguous steps are essential and it is appropriate that other users are kept informed of the progress of a party exiting the SEC. It is important to allow a party to take necessary actions that will remove the obligation to pay DCC costs in a timely manner. For voluntary exit this can be managed, but for expulsion the removal process will pass financial risk to other users and this should be minimised by ensuring a swift exit process is possible.

#### **Chapter 21: Intellectual property rights**

**Question 58** - In addition to the proposals above relating to the suggested intellectual property provisions to be included in the SEC, are there any other intellectual property provisions which should be considered for inclusion within the SEC?

**Response** – this arrangement appears suitable and ensures that all parties will have appropriate access to information. No further comments at this time.

#### **Chapter 22: Confidentiality**

**Question 59** – What information do you believe should be classified as confidential under the SEC?

**Response** – information protected by the Data Protection Act and other personal information should be managed in line with existing industry arrangements. Within gas, it has been established that the MPRN and address is not confidential, but when combine with the Annual Quantity this can be construed as personal information. The aspects of the Data Access and Privacy consultation addresses this in further detail. Information of obvious commercial sensitivity should remain confidential and parties should not be able to view data pertaining to portfolios other than their own.

**Question 60** - How should a balance be struck between transparency and data publication under the SEC, whilst maintaining confidentiality?

**Response** – use of aggregate reporting or anonymous reporting should be considered for information that will be published into the public domain. Under the Panel proposals it is anticipated that reporting could be made available in a confidential forum and reporting in a non-anonymous manner the Authority will ensure that an appropriate balance can be found for the various aspects of the SEC.

#### **Chapter 23: Unforeseen events**

**Question 61** – Please detail those events which you believe would warrant the force majeure provisions being exercised and indicate who should declare a force majeure event.

**Response** – events that could trigger the need for contingency would include failure of the data transmission gateway or in home networks. Other events should be consistent with best practice for Business Continuity arrangements. Arrangements in the UNC for a gas supply emergency are not included in the more general force majeure provisions. Consideration of whether this is classed as a force majeure event may benefit from further investigation.



**Question 62** – Please provide your thoughts on the proposal that the SEC should define a set of contingency business process arrangements and associated service levels/obligations which will apply in the event of a major service failure.

**Response** – It is appropriate for the SEC should contain a clear set of contingency arrangements for such events, which should include manual activity including site visits if necessary. Some events may be able to be postponed should a major failure occur. Non essential data can be transmitted on recovery of the network. Any performance standards for recovery should be reasonable and achievable.

#### **Chapter 24: Transfer of the DCC Licence**

**Question 63** – Please provide your comments on the proposals outlined for the DCC transfer and whether there are any other specific provisions that you suggest need to be covered within the SEC, in addition to the proposed novation agreement for the SEC.

**Response** – the proposals contained seem appropriate for the transfer of the DCC Licence. Until such time as further detail is available on the exact terms of the transition it is not possible to comment further.