

2nd Floor, Ludgate House
245 Blackfriars Road
London SE1 9UF

James Gorie
Department of Energy & Climate Change (DECC)
Orchard 3, Lower Ground Floor
1 Victoria Street
London SW1H 0ET

9th January 2015

Dear James,

Re: Consultation on dates for entry into force of Section H15 of the SEC and incorporation of the DCC Gateway Connection Code of Connection into the SEC

This letter is in response to DECC's consultation on bringing into force certain parts of the SEC necessary to enable Parties to request Gateway Connections from DCC.

1. Background

DCC submitted the draft DCC Gateway Connection Code of Connection to the Secretary of State on 23rd December 2014, pursuant to Annexes 9, 10 and 11 of Schedule 5 to the Smart Meter Communication Licence. It was developed in order to pull together into a single document common rights and obligations of a DCC Gateway Connection, rather than repeat these in each individual Code of Connection. The draft SEC Subsidiary Document is subject to approval by the Secretary of State.

2. Proposed timing

DCC is supportive of DECC's proposal to make Section H15 of the SEC effective and incorporate the Gateway Connection Code of Connection early in 2015.

DCC is conscious of the necessity to have arrangements in place for Parties to order DCC Gateway Connections, and has already taken steps to recognise this. The cost associated with DCC Gateway Connections will be recovered via an Explicit Charge¹. We have already consulted on the necessary amendments needed to DCC's Charging Statement² for the Regulatory Year 2014/ ending 31st March 2015 to be able to charge for these connections. This is discussed in more detail in [Annex A](#).

¹ In accordance with K7.5 (c) and (d) of the SEC.

² The Charging Statement is a statement prepared by DCC pursuant to Condition 19 of the Smart Meter Communication Licence.

In summary, we suggest that both Section H15 of the SEC and the Gateway Connection Code of Connection are made effective on 26th January 2015, which is the same date that the revised Charging Statement for Regulatory Year ending 31st March 2015 becomes effective. We consider that setting this as the effective date would be appropriate as it would be consistent with when the amended Charging Statement will be published and will be simpler for Parties to understand when they will be able to order, and be charged for, DCC Gateway Connections.

3. Legal drafting

We are content with the changes proposed in Annex A of your consultation, which set out the proposed consequential changes to sections A, E3 and H15 of the SEC rendered necessary by the designation of the DCC Gateway Connection Code of Connection.

4. Next steps

We can confirm that no part of this letter is confidential, and we are content for it to be published on your website.

We look forward your conclusion of this consultation. If you have any questions in relation to this letter or its annex, please contact:

Yours sincerely,

Annex A: Amendment to Charging Statement for Regulatory Year ending 31st March 2015 for DCC Gateway Connection charges

On 20th November 2014, we opened a consultation on our proposal to amend the Charging Statement for the Regulatory Year ending 31st March 2015, to reflect that Explicit Charges would be payable in respect of each DCC Gateway Connection ordered. The reasons for issuing the Notice of amendment at that time were that:

- Parties participating in Interface Testing would need to order DCC Gateway Connections (high-volume and/or low-volume) in time for the start of Interface Testing, the costs of which would be payable via an Explicit Charge
- The lead time for obtaining DCC Gateway Connections could range from approximately 30 to 90 working days - hence we considered it would be prudent for parties to be able to order before 1st April 2015
- Interface Testing was due to commence at the start of June 2015³
- We were required to submit the Notice of the amendment to the Authority not less than two months before the date which we proposed to amend the Charging Statement.

Note that the consultation proposed that the amended Charging Statement should take effect from 26th January 2015.

The consultation on this proposal closed on 5th December 2014, and no responses were received. It is our understanding that Ofgem will shortly be concluding on this consultation.

This Notice and the proposed revised Charging Statement are accessible here:
[http://www.smartdcc.co.uk/media/16453/2014-11-20-1c19-notice to amend charging statement 1415 and draft charging statement.pdf](http://www.smartdcc.co.uk/media/16453/2014-11-20-1c19-notice_to_amend_charging_statement_1415_and_draft_charging_statement.pdf)

³ This is set out in the Joint Industry Plan (JIP) which is shared with Parties by DECC at the Implementation Managers Forum. It is important to note that the DCC plan is subject to potential change, the consultation on which closed on 16th December 2014. Documents are accessible here: http://www.smartdcc.co.uk/media/14108/141117_dcc_plan_and_im_consultation.pdf.