



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



Consultation on New Smart Energy Code content: March 2015

We are pleased to provide comments on the above consultation on behalf of the following licensees:

- SSE Energy Supply Limited
- Southern Electric Gas Limited
- South Wales Electricity Limited
- SWALEC Gas Limited
- Scottish Hydro Electric Power Distribution plc
- Southern Electric Power Distribution plc

We welcome the ongoing engagement with the Smart Metering Implementation Team and have provided answers to the specific questions posed by DECC in the attached annex.

We look forward to the further consultations expected this year with the expected conclusion and designation in late 2015.

Please call me if you have any questions.

Yours sincerely



Annex – Consultation Questions

Consultation on SEC Legal Drafting and Timing of Communications Hub activities

Performance Reporting

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 agree with the additions to the Report List of Service Provider Performance Measures however, we have concerns that the DCC could have the ability to force additional costs on to suppliers. This could occur if the DCC fail to correctly remotely maintain Communications Hubs causing unnecessary site visits by suppliers, resulting in additional costs where the Comms Hubs are not found to be faulty.

We seek clarification on the percentages that are to be set for the target service level metrics, we have not had full visibility of these percentages to which we seek assurance that these are set to an acceptable level and we would welcome further engagement to discuss.

SSE as a Network Operator supports the inclusion of performance measures regarding Power Outage Events however, the performance measure described does not provide the full range of information required to adequately assess performance regarding this issue. In order for this measure of performance to be meaningful, there needs to be information provided regarding how long it takes for the power outage event to be delivered. Given that there could be significant differences in performance between CSP north and CSP south/ CSP central regions, consideration should be given to:

- Reporting the performance in individual CSP regions; and
- Reporting the DCC performance in respect of power restores alerts.

Further consideration should be given to enabling stakeholders to have more input into development of future performance measures. This could be facilitated via the SEC panel, providing appropriate changes were made to the SEC legal text.

We are in agreement with the proposed legal drafting set out in Section H13 and believe incorporation into the SEC towards the end of 2015 would seem appropriate.

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 support the approach set out, as this is consistent with other elements of SEC governance at this stage of the programme.



Scope of Risk Management Obligations for Users

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 are of the view that the proposal to extend the scope of User risk management obligations to include systems that are used to secure communications with the DCC, is not proportionate to the level of risk and has the potential to be onerous on suppliers. For example, an extension of scope could be that suppliers will need to provide isolated secure desktops in order to communicate with the DCC. We believe that the risk is for each User to manage and that there are sufficient provisions in the SEC that already cover this.

Confidentiality

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.

We support the proposal to limit the DCC's liabilities in all cases to £1 million when breaching confidentiality of sensitive information. This is consistent with such limited liabilities set out in other industry codes.

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

We are in agreement that Parties should nominate individuals to the DCC to receive information marked as 'classified'. We believe that there should be a formal nomination process in place to facilitate this. Similar to DCC processes to nominate operational contacts by a named individual.

We seek clarification on the type of information the DCC can mark as 'classified', we would like to have visibility of a high level description which details the type of information that the DCC can use the 'classified' marker for. It also should be possible for Users to receive specific types of 'classified' information through pre-determined categories that Users may select as appropriate.

When developing this process, we recommend consideration of an auditing process to ensure the DCC are using the marker appropriately. Further to this, if the amount of information sent by the DCC using the 'classified' marker is minimal, consideration could be given by Ofgem to ratifying this classification before it is distributed.

Other SEC Amendments

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 support this position and believe it is prudent to reinstate the ability of the Panel to remove a Defaulting Party's right to receive core communication services or local command services. We are in agreement that it is best for the operation of industry to ensure that there is Authority consent where that party is a registered supplier or registered network operator.

We would like to take this opportunity to raise the topic for discussion of the 'Supplier of Last Resort', and we would welcome further engagement with DECC, Ofgem and the industry.

Security Licence Condition Covering DCC Enrolled Smart Meters

7. In relation to the proposed licence condition requiring all 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 believe that the existing controls set out within SEC and the associated auditing processes, already provide the coverage required and we would welcome further rationale for the need for this proposed Licence Condition.

Implementation Performance Regime

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

We support further reviews of the implementation dates and criteria. We are in agreement that this will place ongoing incentives to DCC through the implementation phase.

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

We are satisfied that the amendments to the definition of 'Baseline Margin Implementation Total' meets the intent and removes potential ambiguity in the DCC Licence Conditions.

