

To: the holder of the Smart Meter Communication licences

Revocation of the Direction issued by the Gas and Electricity Markets Authority to the holder of the Smart Meter Communication licences on 9 March 2017 as subsequently amended on 3 May 2019

1. The Gas and Electricity Markets Authority (the "Authority")¹ issued a Direction to the company to whom this notice is addressed (the "Licensee") on 9 March 2017 (the "2017 Direction"), which Direction was subsequently varied on 03 May 2019 (the "2019 Direction") (the 2017 Direction and 2019 Direction together being the "Direction").²
2. The Direction was issued:
 - (a) pursuant to paragraph 10 of Standard Licence Condition 36 of the conditions of the Smart Meter Communication Licence granted under section 7AB(2) and (4) of the Gas Act 1986 and section 6(1A) and (1C) of the Electricity Act 1989 (the "Licence"); and
 - (b) in order to determine the value of the "CRSPAT" term in the Licence to cover the Data Communications Company ("DCC")'s roles within both 1) the Transitional Phase and 2) the Design, Build and Test Phase of the Switching Programme.
3. As noted in the Authority's decision published on 26 January 2023, both of those phases of the Switching Programme described in paragraph 2(b) above have now ended.³
4. Paragraph 6 of the 2017 Direction and paragraph 8 of the 2019 Direction set out that "the direction shall continue until revoked or amended by the Authority following a period of consultation with the Licensee for not less than 28 days, beginning on the date of notice of the revocation or amendment, or such other period as may be agreed in writing by the Authority and the Licensee, during which representations with respect to the proposed revocation or amendment may be made."
5. To that end, the Authority issued a Notice of revocation letter of the Direction on 16 Feb 2023.⁴ That letter gave notice of the Authority's intention to revoke the Direction, such that it will cease to have effect. Representations with respect to the proposed revocation of the Direction were invited until no later than 17 March 2023.
6. No representations were received by the Authority. Following the end of that 28 day consultation period on 17 March 2023 therefore, the Authority is now proceeding with revoking the Direction.

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

² https://www.ofgem.gov.uk/sites/default/files/docs/2019/05/cws_dbt_direction_260419_0.pdf

³ <https://www.ofgem.gov.uk/publications/decision-policy-and-statutory-consultation-establish-dcc-switching-incentive-regime>

⁴ <https://www.ofgem.gov.uk/publications/dcc-switching-incentive-regime-consultation-direction-and-associated-guidance>

- 7. It is the decision of the Authority that the Direction issued by the Authority to the holder of the Smart Meter Communication licences on 9 March 2017 as subsequently amended on 3 May 2019 will cease to have effect at 23:59 on 31 March 2023.**
8. For information, it is also the decision of the Authority that the revoked Direction will be replaced by a new Direction issued to the holder of the Smart Meter Communication licences, to be published separately, which will take effect at 00:00 on 01 April 2023.

Melissa Giordano

**Deputy Director, Retail Systems and Processes
29 March 2023**