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Date: 20 June 2025

**Decision to modify and issue new Regulatory Instructions and Guidance<sup>1</sup> (RIGs)  
for the Smart DCC Ltd under Part B of Condition 33 of the Smart Meter  
Communications Licence<sup>2</sup>**

We consulted Smart DCC Ltd, also known as the Data Communications Company (DCC), on changes to the RIGs which reflect developments in the Price Control, and also improve clarity and ease-of-use. We are now issuing a Direction to DCC, set out in Appendix 1, for the purpose of modifying and issuing new RIGs. We are publishing the finalised new RIGs and reporting templates together with this Decision.

**Context**

The RIGs<sup>3</sup> provide the basis on which Smart DCC Ltd, also known as the Data Communications Company (DCC), must report key Price Control Information to us.

It is important to note that the RIGs do not prescribe exactly how and to what level DCC should justify every cost variation. It is DCC's responsibility to prove costs incurred are economic and efficient.

**Proposed Changes**

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<sup>1</sup> All terms used in this Decision have the meaning given to them under the Licence, unless expressly stated otherwise.

<sup>2</sup> The Smart Meter Communications Licences were granted under both the Gas Act 1986 and the Electricity Act 1989. For ease, in this letter we refer to these licences in the singular. DCC's licence can be found at <https://www.ofgem.gov.uk/licences-industry-codes-and-standards/licences/licence-conditions>.

<sup>3</sup> The Regulatory Instructions and Guidance were last published in July 2024 and are available from [Data Communications Company \(DCC\): Regulatory Instructions and Guidance 2024 | Ofgem](#)

We proposed some changes to the reporting templates due to developments over the past year. The primary changes and reasons for them are as follows:

1. **Additional space for the 6 new External Service Providers (SPs) in the Main RIGs and Annex 3:** this affects sheets 4 and 12a-12d in the Main RIGs and sheet 2 in Annex 3. There are also 12 new sheets in Annex 3 to accommodate these new SPs: 3w-3ab and 4w-4ab.
2. **Replacement of the RPI sheet in the Main RIGs with the new CPIH sheet:** this is to reflect the change in the inflation measure used for the Baseline Margin Price Index Adjuster (PIBM) from the Retail Prices Index (RPI) to the Consumer Prices Index (including owner occupiers' housing costs) (CPIH), as detailed in our December 2023 Decision on the Baseline Margin Indexation Change.<sup>4</sup>
3. **Changes to the Customer Engagement (sheet xi. VMM1) sheet in Annex 1:** this is to reflect the change from a 9-question survey to a 3-question survey in the Customer Engagement element of the Operational Performance Regime (OPR) as detailed in our March 2024 Revised OPR Guidance Decision.<sup>5</sup>
4. **Addition of two more Project pages (P6 and P7) in Annex 2:** this allows for two more BMPPA Schemes to be detailed in the RIGs. Sheets 6, 6a, and 7 in the Main RIGs have also been updated to accommodate these.
5. **Additional space in the Main RIGs for two new Additional Baseline (ABL) items (Virtual WAN and Future Connectivity):** this affects sheets 5, 12a, and 12c.

These primary changes have led to a number of smaller changes throughout the reporting templates and guidance. In addition to these, we have made a range of minor changes to increase the clarity and usability of the reporting templates. All changes are recorded in the change log which accompanies this letter.

## Consultation Response

We sent a Notice with the proposed changes to DCC in May 2025. DCC identified some minor formula errors in the newly added sheets of the reporting templates, which we have fixed.

## Next Steps

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<sup>4</sup> See chapter 4: [Decision on Ofgem proposals to modify arrangements for the Over-Recovery of Allowed Revenue, Housekeeping changes to the Licence and the Baseline Margin Indexation change | Ofgem](#)

<sup>5</sup> The details of the March 2024 OPR Guidance decision can be found here: [Revised OPR Guidance decision March 2024 | Ofgem](#)

DCC must report in accordance with the RIGs by 31 July 2025. We will review and analyse the information over the summer and aim to publish a consultation on the outcome of the review in Autumn 2025. We will publish the decision in early 2026.

If you have any questions, contact [robert.wilcox@ofgem.gov.uk](mailto:robert.wilcox@ofgem.gov.uk) by 27 June 2025.

Yours sincerely,

**Ayena Gupta**  
**Head of DCC Oversight and Regulatory Review**  
**Duly authorised on behalf of the Gas and Electricity Markets Authority**  
**20 June 2025**

## **Appendix 1: Direction to DCC**

**To: Smart DCC Limited**

**Direction issued by the Gas and Electricity Markets Authority pursuant to Licence Condition 33.7 of the Smart Meter Communication Licences granted pursuant to section 7AB(2) and (4) of the Gas Act 1986 and section 6(1A) and (1C) of the Electricity Act 1989 (the "Direction")**

### **WHEREAS**

1. Smart DCC Limited ("the Licensee") holds the Smart Meter Communication Licences granted pursuant to section 7AB(2) and (4) of the Gas Act 1986 and section 6(1A) and (1C) of the Electricity Act 1989 ("the Licence").
2. The Gas and Electricity Markets Authority ("the Authority") has the power pursuant to Condition 33.7 of the Licence to modify the Regulatory Instructions and Guidance ("RIGs") by giving the Licensee a Direction for that purpose after complying with the requirements of Part B of Condition 33 of the Licence.
3. The Authority has complied with the requirements of Part B of Condition 33.
4. The Authority gave notice of its intention to modify the RIGs to the Licensee on 12 May 2025, and has considered all representations duly made in coming to its decision on how to modify the RIGs.

### **NOW THEREFORE**

5. The Authority hereby directs that the RIGs be modified as set out in the Schedule to this Direction.
6. This Direction shall take effect on 20 June 2025.
7. The following documents constitute notice pursuant to section 49A Electricity Act 1989 and section 38A Gas Act 1986:
  - a. This Direction;
  - b. Decision on modifications and issuing of new Regulatory Instructions and Guidance for the Data Communication Company (DCC), dated 20 June 2025; and
  - c. Notice of proposal to modify and issue new Regulatory Instructions and Guidance for the Data Communication Company under Part B of Condition 33 of the Smart Meter Communication Licence, dated 12 May 2025.

Dated: 20 June 2025

**Ayena Gupta**  
**Head of DCC Oversight and Regulatory Review**  
**Duly authorised on behalf of the Gas and Electricity Markets Authority**