



Making a positive difference
for energy consumers

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Date: 30 July 2026

By email only

Dear Siobhan, Colin

Direction issued to Smart DCC Ltd to disapply Conditions of the Smart Meter Communication Licence under Condition 43.24 of the Licence¹

1. This letter contains a direction issued by the Gas and Electricity Markets Authority² to Smart DCC Ltd³ for the purposes of disapplying certain Licence conditions of, and schedules to the Licence.
2. Unless otherwise defined in this letter, capitalised terms used in this letter have the meanings given to them in the Licence.
3. This letter constitutes notice under section 38A of the Gas Act 1986 and section 49A of the Electricity Act 1989.

Context

4. On 15 January 2026, pursuant to Condition 43 Part B of the Licence, DCC1 was notified by the Authority that the Handover Period was in force and that the Transfer Date⁴ was amended and would occur on 2 November 2026.⁵ On this date, DCC1 will stop undertaking Authorised Business although still remain the holder of the Licence.
5. Condition 43.24 allows the Authority "at any time from the beginning of a Handover Period [to] direct that any one or more of the Conditions of [the] Licence shall cease to have effect if and to such extent as the Authority considers this necessary or expedient for the purpose of facilitating the Licensee's compliance with its general duty under Part A [of Condition 43]."
6. This notice follows a consultation issued on 19 June to both DCC1 and DCC2⁶ and considers their responses. Having consulted both DCC1 and DCC2, we now consider

¹ Smart Meter Communication Licence (or "the Licence") means the licence awarded by the Secretary of State to Smart DCC Ltd on 22 September 2013

² The Office of the Gas and Electricity Markets ("Ofgem") supports the Gas and Electricity Markets Authority ("the Authority") in its day-to-day work. In this consultation letter, "we", "Ofgem" and "Authority" are used interchangeably

³ "DCC1", or "Licensee", means Smart DCC Ltd, a wholly owned subsidiary of Capita Plc., holder of the Licence granted by the Secretary of State on 22 September 2013

⁴ Transfer Date has the meaning given to that term in Condition 43 of the Licence. Unless stated otherwise, all capitalised terms should be interpreted in accordance with the Licence.

⁵ This notice superseded a previous notice issued in September 2025.

⁶ "DCC2", or "Successor Licensee" means DCC2 Ltd, a wholly owned subsidiary of the Smart Energy Code Company (SECCo) Ltd. who was granted the Successor Smart Meter Communication Licence by the Authority on 14 April 2026

it necessary and/or expedient to disapply the conditions and schedules listed in the annex to this Direction.

7. Firstly, we considered which conditions would be **necessary** to be disapplied. We considered whether certain conditions impose duties on DCC1 to carry out the Authorised Business in a way, which, in Ofgem's assessment, DCC1 would not be able to fully comply with in discharging its duty under Part A of LC 43 post-Transfer Date, or which would conflict with the conditions of the DCC2 licence in effect from the Transfer Date. We have concluded that these conditions are:
 - Condition 5: General Objectives of the Licensee
 - Condition 6: Authorised Business of the Licensee
 - Condition 13: Arrangements relating to the Transition Objective.
 - Condition 13B: Network Evolution Arrangements
 - Condition 15: Incorporation, delivery and provision of the Centralised Registration Service
 - Condition 17: Requirements for the provision of Services
 - Condition 18: Charging Methodology for Service Charges
 - Condition 19: Charging Statement for Service Charges
 - Condition 20: Determination of disputes by the Authority
 - Condition 21: Roles in relation to Core Industry Documents
 - Condition 22: The Smart Energy Code
 - Condition 23: Change control for the Smart Energy Code
 - Condition 45: Provision of Market Share Information to the Central Delivery Body
 - Schedule 1 (Details of Fundamental Service Capability)
8. Secondly, we considered which conditions would be **expedient** to be disapplied. We considered whether the continued application of these conditions remains necessary and proportionate in light of DCC1's residual activities after the Transfer Date, the need to protect consumers' interests, the potential burden on DCC1, and the availability of alternative mechanisms to secure equivalent regulatory outcomes. We have concluded that these conditions are:
 - Condition 7: General controls for the Authorised Business (all of Parts B, C and D (except paragraphs 7.9 and 7.10 only)
 - Condition 8: Security controls for the Authorised Business
 - Condition 11: Duties arising from Licensee's special position
 - Condition 14: Licensee's future development objectives.
 - Condition 16: Procurement of Relevant Service Capability (all of Parts C, D, E, F, G and H, and Parts J and K)
 - Condition 24: Availability of all necessary resources
 - Condition 28: Disposal of Relevant Business Assets
 - Condition 44: Treatment of Intellectual Property Rights (IPRs)
9. This letter constitutes notice of, and gives effect to, that Direction.

Dated 30 July 2026



Heather Stewart

Deputy Director Retail Smart Systems and Processes

Signed on behalf of the Authority and authorised for that purpose

Annex - Direction to disapply Conditions of the Smart Meter Communication Licence under Condition 43.24 of the Licence⁷

For and on behalf of the Gas and Electricity Markets Authority

DIRECTION PURSUANT TO LICENCE CONDITION 2.10(a) and 43.24 OF THE SMART METER COMMUNICATION LICENCE (the "Licence")⁸

To: Smart DCC Ltd (Company Number 08641679)

Whereas:

1. Smart DCC Ltd (the "Licensee") is the holder of the Licence granted pursuant to sections 7AB(2) and (4) of the Gas Act 1986 and 6(1A) and (1C) of the Electricity Act 1989 on 22 September 2013.
2. Licence Condition 43.24 allows the Authority "at any time from the beginning of a Handover Period [to] direct that any one or more of the Conditions of [the] Licence shall cease to have effect if and to such extent as the Authority considers this necessary or expedient for the purpose of facilitating the Licensee's compliance with its general duty under Part A [of Licence Condition 43]."
3. The Authority considers it appropriate to disapply the specified conditions and schedules below on the dates specified.

Therefore:

The Authority hereby directs that the following Licence Conditions and Schedules in the Licence shall be disapplied in accordance with the dates set out below.

Conditions which will cease to have effect on the Transfer Date (midnight on 2 November 2026)

- Condition 5 General Objectives of the Licensee
- Condition 6 Authorised Business of the Licensee
- Condition 7 General controls for the Authorised Business – all of Parts B, C and D (except paragraphs 7.9 and 7.10 only)
- Condition 8: Security controls for the Authorised Business
- Condition 11 Duties arising from Licensee's special position
- Condition 13 Arrangements relating to the Transition Objective
- Condition 13B Network Evolution Arrangements
- Condition 14 Licensee's future development objectives
- Condition 15 Incorporation, delivery and provision of the Centralised Registration Service
- Condition 16 Procurement of Relevant Service Capability – all of Parts C, D, E, F, G and H, and Parts J and K
- Condition 17 Requirements for the provision of Services
- Condition 18 Charging Methodology for Service Charges

⁷ Smart Meter Communication Licence (or "the Licence") means the licence awarded by the Secretary of State to Smart DCC Ltd on 22 September 2013

⁸ Capitalised terms used in this Direction have the meanings assigned to them in the Licence.

- Condition 19 Charging Statement for Service Charges
- Condition 20 Determination of disputes by the Authority
- Condition 21 Roles in relation to Core Industry Documents
- Condition 22 The Smart Energy Code
- Condition 23 Change control for the Smart Energy Code
- Condition 24 Availability of all necessary resources
- Condition 28 Disposal of Relevant Business Assets
- Condition 45: Provision of Market Share Information to the Central Delivery Body
- Schedule 1 (Details of Fundamental Service Capability)

Conditions which will cease to have effect on the first day after four weeks following the Transfer Date (midnight on 30 November 2026)

- Condition 44 Treatment of Intellectual Property Rights

This Direction has effect from the date stated below.

30 July 2026



Heather Stewart
Deputy Director Retail Smart Systems and Processes

Signed on behalf of the Authority and authorised for that purpose