

Jenny Rogers
Scottish Hydro Electric Power Distribution
Inveralmond House,
200 Dunkeld Road, Perth,
PH1 3AQ, UK

Dora Guzeleva
Direct Dial: 0207 901 1851
Email: dora.guzeleva@ofgem.gov.uk

Date: 28/10/2013

Dear Jenny,

Data Protection Strategy for Scottish Hydro Electric Power Distribution (SHEPD) plc's Northern Isles New Energy Solutions (NINES) project

On 15 September 2011, we issued a decision on funding the NINES Project.¹ The funding determination issued on 25 November 2011 contains the specific conditions that you committed to in receiving funding for the Project.

The funding determination requires you to comply with –

- Charge restriction Condition 18A of your Electricity Distribution Licence; and
- The NINES Project funding conditions.

As described in the funding determination, you are required to submit to Ofgem a Data Protection Strategy for the NINES project. The strategy must set out the following:

- (i) what personal data will be collected for the purposes of the project;
- (ii) how this personal data will be used;
- (iii) how consent for use of the personal data will be obtained;
- (iv) what information will be provided to the customer prior to consent being sought;
- (v) if Priority Services Register Customers are included in the project, how their personal data will be obtained;
- (vi) who owns the personal data;
- (vii) how long the personal data will be retained; and
- (viii) how this personal data will be managed (which should be based on a 'privacy by design' approach, as advocated by the Information Commissioner's Office).

On 24 October 2013, you submitted your Data Protection Strategy setting out how you would deal with personal data (as defined in the Data Protection Act 1988) for the roll out to approximately 200 houses owned by Hjalmland Housing Association (HHA) during the NINES Project.

We have reviewed your Data Protection Strategy against the criteria stated in the funding determination. We are satisfied that it contains the required information against each of the criteria as set out above. A summary of our assessment of your Data Protection Strategy is attached as Appendix 1.

We note that a separate Data Protection Strategy will be submitted in relation to the commercial model for the open market.

¹ http://www.ofgem.gov.uk/Networks/ElecDist/Policy/Documents1/NINES_Decision_Letter.pdf

Where you make any changes to, or gain any learning from, your Project that affects any part of the Data Protection Strategy, we expect you to revise the document accordingly and resubmit it to us.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Dora Guzevela', is positioned above the typed name.

Dora Guzevela
Head of Networks Policy
For and on behalf of the Authority

Appendix 1

Summary of our assessment of SHEPD's Data Protection Strategy according to the criteria set out in the funding determination issued on 25 November 2011.

DATA PROTECTION	
a strategy for dealing with personal data which must set out the following:	
what personal data will be collected for the purposes of the Project	<p>The following data will be collected from all customers:</p> <ul style="list-style-type: none"> - Customer contact information (eg phone number and customer name); - Electricity meter readings (three months prior to installation and three months after installation of storage devices); and - Data relating to storage devices characteristics (eg heating energy used by that home, remaining storage capacity). <p>After gaining consent from the customer, 35 homes will be monitored more closely and additional monitoring equipment and communications processing technology will be installed. Data collected would include: water flow rates, water mix temperature and temperatures from additional rooms.</p> <p>Participant feedback on overall customer experience will also be collected.</p> <p>Each address will be assigned a unique identifier so data cannot be linked to an individual person.</p>
how this personal data will be used	<p>The customer contact details will be used to establish and maintain relationships with customers. It will also be used to respond to queries, fault management and issue ex-gratia payment to customers who agreed to participate in the project.</p> <p>The electricity meter readings will be used and analysed to assess whether the new heating system has no adverse effect on electricity usage.</p> <p>Hjaltland Housing Association (HHA) provides energy efficiency advice to customers. If the customer specifically agrees by making an active choice for this, SHEPD will share the meter readings and the date of the meter reading, with HHA. This is to avoid multiple requests for the same information by two entities as only SHEPD will collect the data.</p> <p>The asset details of the communication and monitoring equipment (eg IP address) will allow the NINES project team to issue control signals to devices in the home, eg optimum charging schedule for the next 24 hours.</p> <p>The data from the 35 homes providing more detailed</p>

	<p>information, including water flow rates, water mix temperature and temperatures from additional rooms, will be used by the University of Strathclyde to validate and adjust its set of simulation models.</p> <p>Customer feedback data will be used to understand how the project and the technology is performing. It may also be used for status updates and promotional ideas.</p> <p>Results, data or analysis will be published in an anonymous format with permission from SHEPD.</p>
how consent for use of the personal data will be obtained	<p>All customers will be provided with a NINES consent letter. This will be done either face to face or issued in paper format to their home address. The letter contains: benefits of NINES, project contact details, and the terms and conditions.</p> <p>SHEPD will ensure customers understand the letter, and adjustment would be made if required by PSR customers.</p> <p>All data used by SHEPD or project partners will only be used as agreed with the customer. (eg not for marketing purposes).</p>
what information will be provided to the Customer prior to consent being sought	<p>Customers invited to participate in the project will be provided with:</p> <ul style="list-style-type: none"> - Background to NINES; - Community benefits of NINES; - Project partners and their role; - Overview of process they will go through; and - SHEPD contact details.
if Priority Services Register Customers are included in the Project, how their personal data will be obtained	<p>PSR customers will not be specifically targeted to participate. The data will be used as with other customer data. SHEPD would make adjustments to the collection method if needed and based on customer needs. The customer Engagement Plan contains further information on this.</p> <p>All PSR customers will be covered by the terms and conditions in the consent letter.</p>
who owns the personal data	<p>SHEPD takes responsibility as the Data Controller. It will have responsibility to store, control, manage and facilitate access to personal data. Customers will own the personal data.</p> <p>SHEPD will also act as holder of non personal data (eg flow temperatures).</p> <p>Project partners will have access to non personal data.</p>

<p>how long the personal data will be retained</p>	<p>SHEPD will retain accounting records for no more than 6 years from when the payment is made. This is required under the Companies Act 2006. It would retain the following: customer name, payment amount, payment date, and details of what the payment related to. After the 6 years, this data will be deleted.</p> <p>Customers who leave the project may request that their data is deleted. They will be informed of the risks.</p> <p>Following completion of the project, all personal data not relating to accounting records will be deleted. All other data will be anonymised.</p>
<p>how this personal data will be managed (which should be based on a 'privacy by design' approach, as advocated by the Information Commissioner's Office).</p>	<p>The following security measures will be in place:</p> <ul style="list-style-type: none"> - Spreadsheets will be password protected; - Data will be transferred through secure SFTP; and - Personal data will be sent separately to other data. <p>Data transmitted via the communication links from the in home devices have the following checks in place:</p> <ul style="list-style-type: none"> - The core DSM devices are in an enclosed box; - Encryption and secure protocol will be employed for transmissions out of the house; and - Data being transferred between SHEPD systems will use a private network. <p>Only vetted personnel will access the personal data.</p> <p>Where consent is provided, SHEPD will only provide personal information on a need to know basis, with justification of why the data was needed to be shared. SHEPD will keep an audit trail of any data shared, how it was shared and who it was shared with.</p>