

Jacqui Russell
Metering and Market Operations
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Dear Jacqui,

Call for evidence: Review of the regulatory arrangements for the Data Communications Company

SSEN welcome Ofgem's review of the current regulatory framework for the Data Communications Company.

Through our responses to the consultation questions, we maintain the view that there is still significant progress to be made within the overall DCC Service. Moving forward into the future we would expect to see the DCC continue to focus on its core processes and delivering a stable and efficient service.

Thank you for the opportunity to respond and we would be happy to discuss any of our views set out in this response.

Yours sincerely

Ross Bibby
Senior Analyst – Distribution Regulation

Annex 1: Scottish and Southern Electricity Networks response to Ofgem consultation on Call for evidence: Review of the regulatory arrangements for the Data Communications Company

1. The future role of a DCC, the scope of its objectives and of its authorised business post-2025 to support smart metering across GB;

SSEN are expecting to see a post-2025 future role being very similar to the current role of the DCC. The reasons for this are due to the current outstanding issues relating to multiple areas of the DCC ecosystem, including CSP's. As there are many aspects to these areas that require improvement to meet current obligations and performance measurement obligations, we see this taking a considerable amount of ongoing time and resource to ensure the service is effectively managed and the quality of service is consistent into the future. Due to this, we feel that the DCC's scope of objectives and authorised business should remain in the main, unchanged.

2. The extent to which the regulatory framework should enable DCC to offer additional services to the broader energy sector, and to non-energy sector users, and the potential nature of such services

As noted in the first point, due to the work necessary to bring the service up to an appropriate standard, we do not currently believe it is appropriate for the DCC to look to offer further additional services. This view is most supported when looking at this from a CSP North perspective.

Currently the level of service is trailing when compared to the CSP Central and South regions. This is also reflected with installation numbers when comparing penetration levels across each region. We understand that the rollout has had significant challenges, and this is why we believe that the DCC should look to bring the whole eco-system up to a consistent and acceptable level before offering additional services and we would support OFGEM's scrutiny when looking to approve any DCC's proposed value-added services in the future.

3. The extent to which DCC should deliver its services through contracted service providers or directly itself

Due to issues that have caused significant impact in the CSP North, increasing the number of contracted service providers is not a decision that should be taken lightly. This is most clearly observed when reviewing the time taken to realise improvements through current Contracted Service Providers driven by the DCC. We feel the current contracts with the DCC's contracted service providers require continuous and ongoing management to ensure step change improvements are made and maintained. Due to this we feel that the DCC should not look to further increase the number of contracted service providers.

4. The effectiveness of the current regulatory framework and enduring governance structures in ensuring DCC meets its objectives and provides value for money. We invite evidence in support of alternative approaches which could drive performance in the future

SSEN believe the current regulatory framework is effective, however we fully support the implementation of the OPR review to ensure the incentives placed on the DCC continue to remain relevant and optimised. This will ensure that system performance and customer engagement are kept at the forefront of the DCC's key performance measures. With the ramp up of enrolment of SMETS1 meters and the subsequent increased traffic on the network, stability and communication of issues is key moving forward into the future. We also believe the introduction of SEC Modification 122A and 122B will provide an alternative approach to ensure the DCC meets its objectives. Through these modification working groups, it is clear that there is significant work required to ensure the metrics used by the DCC to monitor performance, bears a true reflection to the service observed by users. We remain cautious with the implementation and ongoing costs to provide these measures and will continue to follow these closely to ensure they provide value for money.

5. The key aspects of DCC's business that stakeholders consider crucial to their own activities in the present and future energy market over the timeframe to 2040;

As mentioned in the sections above, stability of the overall service for CSP North, Central and South, alongside minimal DCC outages and the duration of outages being kept within SEC compliance, are crucial to ensure our key present and future activities are possible. Once SSEN near key levels of penetration of smart meters, frequent ad-hoc messaging, alongside daily scheduled batching of multiple service requests in large volumes, the overall accessibility and stability of the DCC eco-system will be the key aspects we look for DCC to provide.

6. DCC's role in enabling the transition to net-zero by 2050 and

SSEN understand how critical the requirement is for DCC to provide secure connectivity to its systems to a growing number of stakeholders in the future to support decarbonisation. Therefore, SSEN feel it is critical for the DCC to ensure they have a secure, stable and efficient platform to allow a new and existing user base to leverage the DCC ecosystem for innovation and development to enable the transition to net-zero by 2050.

7. Optimal arrangements for DCC's compliance, cost control, and incentive regimes, among others.

SSEN welcome the annual consultation to review and comment on Ofgem's DCC Price Control, this provides vital insight into ensuring DCC offer high quality and value for money services. Further to

this, as discussed in the previous sections, optimising the incentives on the DCC through the OPR review is crucial to ensure the DCC are providing services to its users efficiently and effectively.

We welcome the further work being undertaken by the DCC moving forward that will see marked improvements to the service provided to SSEN and other DNO's. Most notably in the areas described by the DCC that surround Power Outage and Restoration Alerts, DNO centric KPI's, delivering on key outstanding issues and ongoing engagement improvements.