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Marion Quinn  
Ofgem  
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18 December 2015

Dear Marion,

**Re: Code Governance Review (Phase 3): Initial Proposals**

DCC welcomes the opportunity to respond to the consultation 'Code Governance Review (Phase 3): Initial Proposals', released on 23 October 2015.

DCC holds the licence, granted by the Department of Energy and Climate Change (DECC), to establish and manage the data and communications network to connect smart meters to the business systems of energy suppliers, network operators and other authorised users of the network.

The Smart Energy Code (SEC) is currently under development (this is being led by the Department of Energy and Climate Change (DECC)). This is evident by the fact that a number of sections of the code are yet to be activated. As the SEC begins to stabilise, and consequently move into the enduring governance framework, DCC will be better placed to evaluate the extent to which the code governance arrangements are fit for purpose.

In the context of the proposals under section 5 of the consultation on charging methodologies, DCC suggests that Ofgem considers the interaction between any existing licence obligations and amendments to code governance to ensure that there are no unintended conflicts or duplication of effort. By way of example under the Smart Meter Communication Licence<sup>1</sup> DCC is required to review the charging methodology at least once in each Regulatory Year<sup>2</sup>. This review is required to ensure that the charging methodology continues to achieve the relevant policy objectives. The proposed changes to code governance may well interact with the requirement to review the charging methodology, in particular we suggest that any

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<sup>1</sup> Smart Meter Communication Licence:

<https://epr.ofgem.gov.uk/Content/Documents/Smart%20DCC%20Limited%20-%20Smart%20Meter%20Communication%20Consolidated%20Licence%20Conditions%20-%20Current%20Version.pdf>

<sup>2</sup> Licence condition 18.7

review required under a licence should be considered as part of the development of a forward workplan by panels for charging modifications (as discussed in section 5 of the consultation).

If you have any questions regarding any part of this response please contact me or Bushra Ali ([Bushra.ali@smartdcc.co.uk](mailto:Bushra.ali@smartdcc.co.uk)).

Yours sincerely,



**Paul Hawkins**  
Regulation Director