



Submitted by email to [contact@smartdcc.co.uk](mailto:contact@smartdcc.co.uk)

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**DCC Consultation on updated proposal to amend DCC's Implementation Milestones - May 2016**

We welcome the opportunity to respond to this consultation on the proposals from DCC to amend the Implementation Milestones.

Please see the attached Annex for our responses and if you have any questions or comments, please do not hesitate to contact me.

Yours sincerely,

Samantha Cannons  
Regulation - Industry Codes



## **Annex 1: SSE response to DCC Consultation on updated proposal to amend DCC's Implementation Milestones - May 2016**

### **3.2 IM9 Proposal**

**Q1 Do you agree with our proposal to update IM9? Please provide rationale for your response.**

SSE supports the proposal that the due date for IM9 becomes **20 July 2016**, to align this with the approved DCC Plan and JIP date and DCC plan for DCC Live (R1.2). We note that this date may change in the event of a further drawdown on the Contingency Request to move to the Central Planning Assumption Date of 17 August 2016.

We agree in general with the IM Criteria set out in Table 5 – Proposed IM9 criteria. We seek further clarification for the second criterion of Communications Hubs. We are pleased to see an amendment to replace the use of the term “substantial majority”; however we would like further detail in the legal drafting to ensure that of the 80% delivered, the volumes of CH delivered are proportionate across all of the Parties with accepted Communications Hubs Orders.

The Taper Profile set out in Table 7, Proposed Time Factors for IM9, seems to suitably incentivise DCC to deliver as close as possible to the DCC Live date for DCC Release 1.2. The taper of 80% loss between end of August and October 2016 should maintain that focus to deliver with as short a delay as possible.

### **3.3 IM10 Proposal**

**Q2 Do you agree with our proposal to update IM10? Please provide rationale for your response.**

SSE supports the proposal that the due date for IM10 becomes **26 September 2016**, to align this with the approved JIP date and DCC plan for DCC Release 1.3. We note that this date may change in the event of a further drawdown on the Contingency Request to move to the Central Planning Assumption Date of 28 October 2016.

We agree with the IM Criteria set out in Table 8 – Proposed IM10 criteria.

The Taper Profile set out in Table 9, Proposed Time Factors for IM10, seems to suitably incentivise DCC to deliver as close as possible to the implementation date for DCC Release 1.3. The taper of 80% loss between 7 November and 19 December 2016 should maintain that focus to deliver the remaining capability for DCC Live Services with as short a delay as possible.

### 3.4.1 Recovery Mechanism

**Q3 Do you have a preference between the two options for updating the recovery mechanism proposal? Please provide rationale for your response.**

The delivery of DCC Release 1.3 is critical for Parties to be able to fully utilise the DCC Services and to provide value to consumers. We note the proposed revision of the IM Milestones and Weighting (% BMIT) set out in Table 3 – May 2016 conclusion and proposal summary. We consider that to further align the DCC incentives with provision of value to the consumer, the Weighting should have a greater focus on the Implementation Milestone that delivers the full functionality – IM10a and 10b.

Therefore, we consider that the Implementation Milestones should reflect the following Weighting:

IM	IM title	IM due date	Weighting (% BMIT)
IM9a	Licensee is ready for commencement of DCC Live (R1.2) in the North Region	20 Jul 2016	5
IM9b	Licensee is ready for commencement of DCC Live (R1.2) in the Central and South Regions	20 Jul 2016	5
IM10a	Licensee is ready for commencement of Release 1.3 in the North Region	26 Sep 2016	25
IM10b	Licensee is ready for commencement of Release 1.3 in the Central and South Regions	26 Sep 2016	25

On this basis, and in conjunction with the revised Weightings we set out above, we consider that Option one, full IM9 recovery against IM10, will reinforce the IM10 incentive and the timely achievement and delivery of the full functionality of DCC Live Services. However, if the proposed weighting by DCC remains equal between IM9 and IM10, then we would suggest Option two is more appropriate.