



Data Communications Company

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DCC Consultation on proposed changes to DCC's Implementation Milestones

Thank you for the opportunity to respond to the above consultation. We have provided detailed responses to your questions in the attached Annex.

If you have any questions, please do not hesitate to get in touch.

Yours faithfully,

Samantha Cannons
Industry Codes



Annex 1 – SSE response to consultation on proposed changes to DCC’s Implementation Milestones

Recovery mechanism

1. What are your views on the proposed recovery mechanism and the alternative approach set out above? Please provide rationale for your response.

SSE agrees in principle with the approach of the proposed model as set out in Section 3.1 of the Condoc and the associated worked example. We agree it provides a continual incentive rather than the stepped model. We also approve of the splitting of the milestone to reflect the North and Central and South areas, this seems to be a sensible approach to ensure that DCC has the appropriately balanced incentives to focus on the readiness of both CSP organisations for ‘DCC Live’.

SSE supports the alternative approach as we consider it provides a stronger incentive for DCC not to move beyond October 2016 for ‘DCC Live’

2. Do you agree with the proposal for the recovery of IM4, IM5, IM6 and IM7, where the Time Factor was greater than 0, to be proportionate to the tapering of the proposed IM10? Please provide rationale for your response.

SSE agrees with the proposal for the recovery mechanism for earlier IMs to be proportionate to the tapering of IM10 (associated to the Implementation Due Date). We believe that this mechanism supports the incentivising of DCC to be ready whilst being cognisant of the ‘central planning assumption’ for ‘DCC Live’ of August 2016. SSE agrees with the proposal for recovery to be split 50:50 between the proposed IM 10 a) and b) milestones. We note that this proposed recovery mechanism would only be applicable to IM5.

Incentives for readiness for the start of Systems Integration Testing

3. Do you agree with the proposal for incentivising readiness for the start of Systems Integration Testing? Please provide rationale for your response.

SSE agrees in principle with the proposal to have a clearer set of criteria to demonstrate DCC readiness and that the Implementation Milestone applies to the two CSPs for their respective regions. This provides further clarity on the demonstration of CSP readiness and the effectiveness of the Systems Integration Testing. These were elements that we sought clarification on in our response to the earlier ‘Resetting the DCC Delivery Programme’ consultation.

We seek further clarification on how this will translate into the physical execution of SIT, for example if one Service Provider does not start on time, will this result in less time to test, or will there be a staggering by CSP or region during the SIT phase.



We are supportive of the proposed reduction in percentage weightings for IM8a and IM8b milestones (currently M8 and IM9), to enable a greater focus to be placed on the proposed IM10a and IM10b milestones.

SSE supports the commencement of the Implementation Due Dates to align with the JIP milestone of 1st September 2015 'SIT commence'. However, we have concerns regarding the proposed time factors that could see this moving to December 2015. A delay of commencing this phase by Service Providers will have an impact on the subsequent Test phases.

Incentives for readiness for the start of Interface Testing

4. Do you agree with the proposal for incentivising the readiness for the start of Interface Testing? Please provide rationale for your response.

SSE supports the commencement of the Implementation Due Dates to align with the JIP milestone of 2nd February 2016 'Interface Testing commence'. We do not agree with the proposed time factor of November 2016 as this is beyond the fall-back date of October 2016 for contingency and has significant implications for Supplier rollout plans.

We are supportive of the proposed increase in percentage weightings to the IM9a and IM9b milestones (currently IM10 and IM11), as this provides a suitable focus on the DCC readiness for the Interface Testing phase.

Incentives for the provision of live Enrolment and Communication Services

5. Do you agree with the proposal for incentivising the readiness for live Enrolment and Communication Services? Please provide rationale for your response.

Whilst SSE were in agreement with the principle of the proposed recovery mechanism (response to Q1), we have concerns about the proposals set out in in Section 7 of the Condoc.

In section 7.3, second bullet point for the proposed criteria for the proposed IM10a and IM10b milestones, sets out: *"In relation to all compliant Communications Hub orders in the [North] or [Central and South] Region for the month prior to DCC Live, a substantial majority of Parties have confirmed that Consignments of Communications Hubs deliveries are compliant."*

We require further clarification on the definition of substantial majority to be able to evaluate and respond. Furthermore, how this will be verifiable and how it sits with the proposal to issue the Routine Live Enrolment and Communication Services Criteria for SEC Panel agreement. We note that this proposal may have implications for SEC drafting to set out these new requirements



We are supportive of the recommendation for the proposed percentage weightings for the proposed milestones of IM10a and IM10b, on the basis that it provides a further focus on delivering the live Enrolment and Communication Services.

SSE supports the commencement of the Implementation Due Dates to align with the JIP milestone of 1st April 2016 'DCC Live'. We do not agree with the proposed time factor of 1st January 2017 as this is beyond the fall-back date of October 2016 for contingency and has significant implications for Supplier rollout plans.

Incentives beyond live Enrolment and Communication Services

6. Do you agree with the proposal for incentivising implementation beyond live Enrolment and Communication Services? Please provide rationale for your response.

SSE recognises that there may be a potential need to apply constraints to the provision of initial Live Enrolment and Communication Services. However, until we have further information on these potential constraints, it is difficult to assess the extent of the need for incentives for DCC in working to remove these constraints within a suitable period of time. We agree that the Operational Performance Regime should be set out to ensure that it provides the necessary impetus for DCC's delivery of services, therefore the proposed percentage weighting of 5% seems to be set at an appropriate level. We would welcome future engagement to develop the processes and governance in respect of applying these constraints.

7. What are your views on the proposal for the proposed IM11 to be sub-divided by two region categories and the alternative approach set out above? Please provide rationale for your response.

In the event that an Implementation Milestone is introduced to incentivise post 'DCC Live', SSE is supportive of the alternative approach that there is a national level set to ensure the appropriate focus on performance across all regions. This is required to ensure Suppliers can have confidence in their rollout plans and to provide an equitable service to Consumers for all regions.

Incentives for the completion of User Integration Testing

8. Do you agree with the proposal to remove the current IM14? Please provide rationale for your response.

SSE is in agreement with the rationale set out in the proposal to remove the current IM14, on the basis of the Milestones that set out the Interface Testing.



Recognition of external dependencies

- 9. Do you agree with the proposal to introduce recognition of external dependencies, and their proposed treatment, in Schedule 3 of the Licence? Please provide rationale for your response.**

We note that question 9 set out in Section 10 is not the same as the Consultation questions set out in Annex B of the Condoc.

We seek further clarification on the proposal to introduce recognition of external dependencies to the Implementation Milestones. There seems to be no evidence presented of what benefits or value this additional information would provide. It is also noted in Section 10, that it is not possible to provide a definitive list of dependencies and therefore we question the proposed inclusion of these in the IM criteria.

Conclusions

- 10. Do you agree with the overall proposal to amend the Implementation Milestones? Please provide rationale for your response.**

Please refer to the responses we have provided to the other questions. We believe that any changes to the Implementation Milestones should only be made where there is sufficient evidence to ensure that there are benefits to the Programme and that these will reinforce the delivery of the milestones set out in the JIP.