



DCC Consultation - Proposed changes to DCC Implementation Milestones

General Comments

We are generally comfortable with the proposals being put forward in this consultation. An exception however, is the introduction of the concept of "external dependencies" being recognised within the Implementation Performance Regime.

Whilst we acknowledge the DCC has reliance on a number of parties to fulfil its contractual and regulatory requirements. We are also subject to completing the rollout of smart metering by 2020 to our customers with a significant reliance on external parties. One of these being the DCC as a major party in the programme, along with meter manufacturers, metering service providers, Distribution Network Operators, test house availability, registration data providers etc. All these parties have dependencies on each other to ensure a successful rollout.

We do not agree that the DCC licence should be amended to recognise the external dependencies as proposed nor do we agree these could typically be classed as "force majeure events."

The way to manage the risks associated with such a large programme of work and interdependent parties is for strong overall programme management and governance to oversee the delivery of the constituent parts.

Answers to Specific Questions;

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

We believe this is an acceptable approach, provided there are clear entry and exit criteria for each of the milestones.

Question 2: Do you agree with the proposal for the recovery of IM4, IM5, IM6, 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.

Yes this seems reasonable.

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

Yes.

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



Yes.

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

Yes. However, we are concerned at the comments in Paragraph 70 and 71 of the consultation which refers to a substantial majority of Parties have confirmed that Consignments of Communication Hub deliveries are compliant". "Substantial majority" needs much better definition; we suggest 80% might be appropriate.

Question 6: Do you agree with the proposal for incentivising implementation beyond live Environment and Communication services? Please provide rationale for your response.

Yes. 3-6 months seems a reasonable period of time.

Question 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.

Yes. This seems a reasonable approach.

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

Yes.

Question 9: Do you agree with the proposal to introduce the recognition of external dependencies, and the concept of matters beyond DCC's reasonable control, in the Implementation Performance Regime, (Schedule 3 of the Licence)? Do you have any views or suggested changes/additions to the provisional list of dependencies provided above? Please provide rationale for your response.

No. Whilst we acknowledge the DCC has reliance on a number of parties to fulfil its contractual and regulatory requirements. We are also subject to completing the rollout of smart metering by 2020 to our customers with a significant reliance on external parties. One of these being the DCC as a major party in the programme, along with meter manufacturers, metering service providers, Distribution Network Operators, test house availability, registration data providers etc. All these parties have dependencies on each other to ensure a successful rollout.

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

In general terms yes, with the exception of external dependencies and subject to the clarifications and amendments we have suggested in response to the earlier questions in this consultation.