Data Communications Company



Indicative Budget

Regulatory Years ending 31 March 2029 and 2030

Published in accordance with the DCC2 Licence.

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1 Introduction

1. This update reflects the transfer to DCC2 during RY2026/27. The revisions in this publication are limited to the text and do not alter the charges published in October.

2. This document is the Indicative Budget for Smart DCC (DCC) for the Regulatory Years ending 31 March 2029 and 31 March 2030 (RY2028/29 and RY2029/30). It has been prepared in accordance with Sections J4.4 and J4.5 of the Smart Energy Code (SEC) and is based on the best information and assumptions available at the time of producing this document.

3. The RY2027/28 comparison figures are based on the Final Determination for Ex Ante 1. The forecasts for RY2028/29 and RY2029/30 relate to Ex Ante 2 and remain provisional, subject to future regulatory assessment and determination.

4. Following the transfer to DCC2 on 2 November 2026, Service Charges are calculated under the Smart Meter Communication Licence held by DCC2, referred to in this document as the DCC2 Licence, and the SEC Charging Methodology.

5. The latest total DCC cost estimates[1] for RY2028/29 and RY2029/30 can be found in Table 1 row 10.

1.1. Smart Metering Implementation Programme (SMIP)

6. In RY2026/27, the DCC continued to support its customers in the rollout of SMETS2 meters. Beyond this DCC has focused on providing enduring operational support, improving the live service and the delivery of future releases in June and November of each year.

1.2. Enduring Change of Supplier (ECOS)

7. The Change of Supplier credentials (CoS) process allows the supplier certificates associated with a losing energy supplier to be replaced with those of a gaining energy supplier whenever a consumer changes supplier.

8. The delivery plan approved by BEIS in March 2020 saw the Enduring Change of Supplier (ECoS) service go-live in June 2023, with the migration from the Transitional Change of Supplier (TCoS) service running until April 2024.

1.3. Enrolment of SMETS1 meters

9. There are currently over 11 million SMETS1 meters successfully enrolled onto the DCC system in two migration cohorts. The final operating cohort is live and will continue through this year.

10. Interoperability has been proven through migrated customers seamlessly switching energy providers.

1.4. Supporting Ofgem's Switching Programme

11. The Central Switching Service (CSS) is now live. From April 2023, we have recovered these costs directly from RECCo and so we exclude these costs from all future Charging Statements.

1.5. Network Evolution

12. The Network Evolution Programme focuses on the future of DCC operations in the smart metering environment. It explores how new process, systems and technologies can improve the live service, reduce the operating costs of the DCC system, and, above all, secure the continuity of a critical part of the UK's national infrastructure.

13. The programme is a portfolio of distinct projects, DSP design and procurement, Communication Hubs & Networks, Trusted Service Provider (TSP) re-procurement and Test Automation.

[1] This is the Estimated Fixed Revenue less Communications Hub Device Revenue and correction factor (but includes disallowed cost)

1.6. Other information

14. The forecasts cover the Regulatory Years identified in this document and reflect the applicable DCC price-control and charging framework.

15. If you have any questions relating to this document or if you would like to provide feedback on how this document might be improved, please email finance@smartdcc.co.uk. This document is available on the DCC website (www.smartdcc.co.uk).

16. If you are a SEC Party and would like to attend our quarterly Finance & Programme Briefings for customers, please contact us at customerengagement@smartdcc.co.uk.

17. Please note that:

- some of the numbers in this document may not sum to total due to rounding
- a table entry of '0.0' in the tables in this document indicates a value that is below £50,000.

SECTION A - ESTIMATED REVENUE

2 Estimated Recovered Revenue

18. Table 1, below, sets out DCC's Estimated Recovered Revenue for the three consecutive Regulatory Years ending 31 March 2030 in total and split by its key components. Estimated CH Replacement Reimbursement (CHRR) Revenue is calculated under SEC Sections K2.7 to K2.8 and identified within National Fixed Revenue under Section K3.8. It is included in, and is not additional to, total revenue.

19. Recovered Revenue is the total Service Charges levied for a Regulatory Year. In accordance with SEC Section K2.1, DCC estimates its Recovered Revenue for the relevant Regulatory Year (Estimated Recovered Revenue, ERRt). Under Section K2.6, Estimated Fixed Revenue is ERRt less Estimated Additional Service Revenue (EASRt) and Estimated Explicit Charges Revenue (EECRt).

20. The sum of National and Regional Fixed Revenue and Communications Hub Fixed Revenue is used to calculate the Fixed Charges.

Acronym	Name	RY27/28 (£m)	RY28/29 (£m)	RY29/30 (£m)
$NFR_t + \Sigma RFR_{rt}$	Estimated National and Regional Fixed Revenue	631.4	623.5	573.9
$\Sigma RCHFR_{rt}$	Total Communications Hub Fixed Revenue	5.0	5.1	5.2
$AHFR_t$	Estimated Alt HAN Fixed Revenue	28.7	30.5	26.9
$\Sigma RCHDR_{hrt}$	Total Communications Hub Device Revenue	186.5	257.8	335.5
EFR_t	**Estimated Fixed Revenue**	**851.5**	**916.8**	**941.5**
$EECR_t$	Estimated Explicit Charges Revenue	3.3	5.8	5.8
EASRt	Estimated Additional Service Revenue	-	-	-
ERRt	**Estimated Recovered Revenue**	**854.8**	**922.6**	**947.3**
Sub-total used to calculate Fixed Charges		636.4	628.5	579.1
Total DCC cost estimate[2]		665.0	659.0	606.0

Table 1 – Estimated Recovered Revenue for RY2027/28 to RY2029/30 (excluding VAT)

[2] Excluding Communications Hub Device Revenue and correction factor (but including disallowed cost)

3 Estimated Fixed Revenue

21. Table 2 sets out the Estimated Fixed Revenue for the three consecutive Regulatory Years ending 31 March 2030, in total and split by its components.

Acronym	Name	RY27/28 (£m)	RY28/29 (£m)	RY29/30 (£m)
NFR_t	National Fixed Revenue	477.6	478.5	431.9
RFR_{rt}	Regional Fixed Revenue (North)	37.4	39.3	34.9
RFR_{rt}	Regional Fixed Revenue (Central)	58.2	52.8	53.5
RFR_{rt}	Regional Fixed Revenue (South)	58.2	52.8	53.5
$NFR_t+\Sigma RFR_{rt}$	**Total National and Regional Fixed Revenue**	**631.4**	**623.5**	**573.9**
$RCHFR_{rt}$	Regional Communications Hub Fixed Revenue (North)	4.8	4.9	5.0
$RCHFR_{rt}$	Regional Communications Hub Fixed Revenue (Central)	0.1	0.1	0.1
$RCHFR_{rt}$	Regional Communications Hub Fixed Revenue (South)	0.1	0.1	0.1
$RCHFR_{rt}$	**Total Communications Hub Fixed Revenue**	**5.0**	**5.1**	**5.2**
$AHFR_t$	**Alt HAN Fixed Revenue**	**28.7**	**30.5**	**26.9**
$RCHDR_{hrt}$ (CH)	Regional Communications Hub Device Revenue (North)	39.7	10.8	1.3
$RCHDR_{hrt}$ (CH)	Regional Communications Hub Device Revenue (Central)	47.5	23.3	0.5
$RCHDR_{hrt}$ (CH)	Regional Communications Hub Device Revenue (South)	47.8	23.4	0.3
RCHDRhrt (4G)	4G Communications Hub Device Revenue	51.4	200.3	333.4
CH_CF	CH correction factor	-	-	-
ΣRCHRrt	**Total Regional Communications Hub Revenue**	**186.5**	**257.8**	**335.5**
EFR_t	**Estimated Fixed Revenue**	**851.5**	**916.8**	**941.5**
Sub-total used to calculate Fixed Charges		636.4	628.5	579.1
Total DCC cost estimate[3]		665.0	659.0	606.0

Table 2 – Estimated Fixed Revenue for RY2027/28, RY2028/29 and RY2029/30 (excluding VAT)

[3] Excluding Communications Hub Device Revenue and correction factor (but including disallowed cost)

22. Table 3 breaks down the Estimated Fixed Revenue, for the three consecutive Regulatory Years ending 31 March 2030, in more detail.

23. The legacy DCC1 margin and gain-share amounts in Table 3 relate to the RY2027/28 comparison year. No legacy margin or gain-share amounts are shown for RY2028/29 or RY2029/30.

Estimated Fixed Revenue by category		RY27/28 (£m)	RY28/29 (£m)	RY29/30 (£m)
Internal Costs (3.1)	Baseline	-	-	-
	Variance to baseline	113.1	111.6	93.4
External Costs (3.2)	Baseline	-	-	-
	Variance to baseline	495.4	493.3	461.5
Pass-Through Costs (3.3)	Authority	-	-	-
	SECCo Ltd	18.0	18.6	19.0
Legacy margin adjustment (3.4)		(3.3)	-	-
Legacy gain share adjustment (3.5)		8.2	-	-
Prudent estimate (3.6)		-	-	-
Correction factor (3.7)	Main correction factor – RY2025/26	-	-	-
	Disallowed cost - RY 2025/26	-	-	-
Total National and Regional Fixed Revenue		**631.4**	**623.5**	**573.9**
Total Communications Hub Fixed Revenue (3.8)		**5.0**	**5.1**	**5.2**
Alt HAN (3.9)	Alt HAN Co	28.7	30.5	26.9
	Alt HAN correction factor – RY2025/26	-	-	-
Total Alt HAN Fixed Revenue		**28.7**	**30.5**	**26.9**
Communications Hubs Devices	CH baseline	-	-	-
	CH variance to baseline	135.1	57.5	2.1
	4G	51.4	200.3	333.4
	CH correction factor – RY2025/26	-	-	-
Communications Hub Device Revenue (3.10)		**186.5**	**257.8**	**335.5**
Estimated Fixed Revenue (EFR_t)		**851.5**	**916.8**	**941.5**
Sub-total used to calculate Fixed Charges		636.4	628.5	579.1
Total DCC cost estimate[4]		665.0	659.0	606.0

Table 3 – Estimated Fixed Revenue by category for RY2027/28, RY2028/29 and RY2029/30 (excluding VAT)

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24. With reference to Table 3:

3.1 Internal Costs

25. No separate baseline amount is shown in Table 3; the forecast figures retain the existing "Variance to baseline" presentation.

26. Internal Costs represent all costs that do not relate to our key service providers (referred to in this document as 'FSPs'). They are categorised as either resource or non-resource costs. These are described below.

3.1.1 Resource costs

27. Internal Costs include resource costs that relate to:

- managing the delivery of the Smart Metering Implementation Programme (SMIP)
- managing the Network Evolution portfolio of projects to ensure technological resilience of critical national infrastructure
- preparing to support the delivery of Ofgem's Market-wide Half Hourly Settlement Programme
- managing Communications Hub Services
- managing all External Service Provider contracts (including changes) e.g. CSPs, DSP, SMKI provider, Parse and Correlate, SMSOs, Central Switching Service provider, Systems Integrator, Core Systems Assurance provider etc
- managing DCC Internal Systems e.g. billing, business intelligence and management information systems
- undertaking test assurance
- managing change and release management
- applying design governance
- implementing service design
- setting DCC budgets and charges
- preparing the price control submission
- stakeholder engagement
- managing new initiatives
- regulation, HR, finance and audit
- staff recruitment.

3.1.2 Non-resource costs

28. Internal Costs also include non-resource costs that relate to:

- Contract costs associated with External Service Providers that provide Relevant Service Capability i.e. not Fundamental Service Capability
- services procured through Capita plc e.g. Group Finance, Tax and Treasury and Group HR
- overhead
- office accommodation
- legal fees
- consulting fees.

3.2 External Costs (including Communications Hub Fixed Revenue)

29. No separate baseline amount is shown in Table 3; the forecast figures retain the existing "Variance to baseline" presentation.

30. The External Costs and Communications Hub Fixed Revenue (see Section 3.8) in Table 3 are broken down further in Table 4 below:

Estimated External Costs by category	RY2028/29		RY2029/30	
	Baseline (£m)	Variance (£m)	Baseline (£m)	Variance (£m)
Set-up costs (3.2.1)	-	182.6	-	168.3
Fixed operational costs (3.2.2)	-	309.2	-	293.1
Performance incentives (3.2.3)	-	-	-	-
Impact assessments/projects (3.2.4)	-	-	-	-
Catalogue services (3.2.5)	-	-	-	-
Transaction Messages (3.2.6)	-	1.5	-	0.1
CH Replacement Reimbursement (CHRR) (3.2.7)	-	-	-	-
Total	-	**493.3**	-	**461.5**

Table 4 – Estimated External Costs by category for RY2028/29 and RY2029/30 (excluding VAT)

3.2.1 Set-up costs

31. Set-up costs relate to the development activity undertaken by FSPs and are usually payable upon achievement of certain milestones. These costs may be financed over a period of time. The redacted versions of the CSP and DSP contracts are available on the DCC website.[4]

3.2.2 Fixed operational costs

32. Fixed operational costs relate to the FSPs' provision of live services, including transaction message costs, and are payable monthly from the commencement of those live services operations to the end of those FSP contracts.

3.2.3 Performance incentives

33. DCC may make payments to the FSPs where they meet their respective performance milestones.

3.2.4 Impact assessments/projects

34. Where changes are required, the FSPs will assess the impact of those changes. Similarly, we may request smaller standalone pieces of work to be undertaken by the FSPs which are referred to as projects.

3.2.5 Catalogue Services

35. DCC may procure items from the catalogue services set out in the CSP and DSP contracts. A number of these items will be recovered from customers via Explicit Charges. The cost in Table 4 relates to those catalogue services that are not recovered via an Explicit Charge.

3.2.6 Transaction Messages

36. DCC may recover the costs of communications services (service requests) via an Explicit Charge. However, we have decided to recover this cost via the Fixed Charge as we consider that this would be more economic and efficient. We consulted on this proposal in May 2014. The rationale is:

- total cost of Service Requests is approximately 0.2% of total External Costs;
- it would be less costly and complex for the billing system to recover this cost through Fixed Charges;
- invoices would be simpler with less reconciliation activity for DCC's customers; and
- there would be greater cost certainty in advance of each Regulatory Year.

37. For each transaction message or service request, DCC incurs costs with its FSPs in line with contractual prices. The estimated

[4] https://www.smartdcc.co.uk/about/service-providers/

annual cost forecast is informed by customer volume forecasts, which are submitted to DCC by industry. These costs were previously reflected under 'Fixed Operating Costs' in Table 4.

3.2.7 CH Replacement Reimbursement (CHRR)

38. CH Replacement Reimbursement (CHRR) Revenue is collected by DCC as the appointed authority to reimburse DCC Energy Suppliers for their cost of a qualifying visit to exchange a 2G/3G CH for a 4G CH. DCC forecasts the number of CH replacements and the CH replacement reimbursement cost during the regulatory year. This replacement cost is financed over a 15-year term. DCC is currently working with energy suppliers to agree a medium term forecast of CHRR volumes for the RY28/29 and RY29/30.

39. Payments to Energy Suppliers under the CH Replacement Reimbursement Service are included in Pass-Through Costs under Condition 24.17(e) of the DCC2 Licence. Related financing and administration costs require separate classification under the applicable determination.

3.3 Pass-Through Costs

40. Pass-Through Costs include:

- fees payable to the Authority, the current assumption is that this will be nil for the foreseeable future
- costs associated with SECCo Ltd, consistent with its latest budget. Further details can be found on the SEC website: www.smartenergycodecompany.co.uk
- Alt HAN Co costs (see Section 3.9).

41. DCC passes through these costs to DCC's customers via the Fixed Charge and Alt HAN Fixed Charge.

42. The SECCo value in Table 3 is based on the SEC Panel Budget for 2025-2028.

3.4 Legacy margin adjustment

43. The legacy margin adjustment shown in Table 3 relates to the DCC1 charging framework.

3.5 Legacy gain share adjustment

44. The legacy External Contract Gain Share shown in Table 3 relates to the DCC1 charging framework.

3.6 Prudent estimate

45. Actual costs may vary from the forecasts as the DCC service develops. The prudent estimate supports liquidity so that DCC can meet its financial commitments throughout the year.

46. DCC recovery remains subject to the revenue restriction and cash-position requirements in Condition 25 of the DCC2 Licence.

47. DCC calculates its Cash Position on the first working day of each Quarter and reports it to the Authority under Condition 25.4. The Authority may direct changes to the Charging Statement under Condition 25.5.

3.7 Correction Factor

48. The correction-factor categories relate to different charges and customer groups:

- Main correction factor – this is applied to the National and Regional Fixed Revenue
  - Historic disallowance and penalty-interest adjustments are presented as DCC1 reconciliation items.
- SBCH correction factor – applied to the SBCH Device Revenue
- DBCH correction factor – applied to the DBCH Device Revenue
- Alt HAN correction factor – applied to the Alt HAN Fixed Revenue.

3.8 Communications Hub Fixed Revenue

49. Communications Hub Fixed Revenue reflects the costs and expenses incurred to provide Communications Hub Services and Test CH Services that are incremental to the Communications Hub device costs (see Section 3.10). Communications Hub Fixed Revenue is recovered from Charging Groups 1, 2 and 3 only.

50. These costs are included within each of the External Cost categories listed in Table 4.

3.9 Alt HAN

51. Costs relating to Alt HAN Co Ltd are categorised as Pass-Through Costs and the Alt HAN Co values in Tables 1-3 are based on the final Alt HAN budget for RY2026/27, provided in its annual submission to DCC in December 2025, in accordance with SEC Section Z4.14.

52. The Alt HAN Fixed Revenue will be adjusted according to an Alt HAN specific correction factor which will reflect any under/over-recovery in previous years. This is calculated separately as this cost is recovered from Charging Groups 1 and 3 only.

3.10 Communications Hub Device Revenue

53. Communications Hub Device Revenue consists of:

- asset charges payable to the CSPs following each successful delivery of either a SBCH or DBCH
- maintenance charges payable to the CSPs following each successful commissioning of either a SBCH or DBCH
- a correction factor adjustment to reflect any under/over-recovery in previous years of costs relating to either SBCH or DBCH. This is calculated separately as this cost is recovered from Charging Groups 1, 2 and 3 only.

3.11 Indexation

54. Internal Cost indexation follows the assumptions and treatment in the applicable DCC2 determination and forecast. External Cost indexation remains subject to the relevant contracts. Any indexation of a historic margin adjustment must be supported by the applicable determination.http://www.ons.gov.uk/

55. External Costs include an allowance for indexation, in accordance with the terms of the External Service Provider contracts, which is based on historical Consumer Price Index (CPI) data published by the Office for National Statistics (www.ons.gov.uk).

56. Pass-Through Costs include an allowance for indexation at the rate provided by SECCo Ltd and Alt HAN Co Ltd.

4 Estimated Explicit Charges Revenue

57. Explicit Charges are payable in respect of products/services, generally driven by volume, that are to be charged for separately from Fixed Charges. The cost of those services would only arise where it is specifically ordered or required by a customer (or a non-SEC party where a bilateral agreement is in place) and would be recovered from that party.

58. The $EECR_t$ (Estimated Explicit Charges Revenue) is set out in Table 1. Actual revenue recovered will be determined by the volume of services procured by customers.

59. Further detail on Explicit Charges is set out in the DCC Charging Statement.

5 Estimated Additional Service Revenue

60. Additional Charges are payable in respect of Additional User Services. Requests, evaluations and offers are handled in accordance with the applicable SEC Section H7 and Condition 9 of the Licence.

61. Where a more detailed evaluation is requested, Evaluation Expenses are recovered in accordance with Condition 9.23 and the Charging Methodology. Additional User Services are provided under a Bilateral Agreement, with charges

determined under SEC Section K8. The revenue forecast reflects the applicable agreements and expected demand.

62. The EASRt (Estimated Additional Service Revenue) is set out in Table 1.

63. DCC is engaging with customers to develop a proposal to improve Additional User Services.

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Appendix A – Publications timetable

64. In accordance with J4 of the SEC, within the first five working days of April, July, October and January in each year, we must create and publish:

- an Indicative Charging Statement for the first Regulatory Year due to start thereafter;
- a budget for the second and third Regulatory years due to start thereafter;
- and a working model allowing our customers to estimate their Indicative charges.

65. Under Conditions 27.14 to 27.17 of the DCC2 Licence, DCC reviews the Charging Statement at least once each Regulatory Year and updates it where needed to keep the information accurate and reliable. The Charging Statement is published on DCC's website. Changes to Service Charges are made in line with licence requirements and, where required, approved by the Authority. Quarterly indicative forecasts are provided for information only and do not change the charges in force.

66. The publication timetable is summarised below. All publications are available on the DCC website (www.smartdcc.co.uk).

Publication date	Charging Statement	Indicative Charging Statement	Indicative Budget	
December 2025	RY2026/27 – Issue 0.1 (draft)			
January 2026 (Q4)		RY2026/27	RY2027/28	RY2028/29
March 2026	RY2026/27 v0.2 (draft)			
March 2026	RY2026/27 v1.0 (final)			
April 2026 (Q1)		RY2027/28	RY2028/29	RY2029/30
July 2026 (Q2)		RY2027/28	RY2028/29	RY2029/30
October 2026 (Q3)		RY2027/28	RY2028/29	RY2029/30
November 2026	DCC2 RY2026/27 v2.0 (final)	DCC2 RY2027/28	DCC2 RY2028/29	DCC2 RY2029/30
December 2026	RY2027/28 – Issue 0.1 (draft)			
January 2027 (Q4)		RY2027/28	RY2028/29	RY2029/30
March 2027	RY2027/28 v0.2 (draft)			
March 2027	RY2027/28 v1.0 (final)			
April 2027 (Q1)		RY2028/29	RY2029/30	RY2030/31

Table 5 – Timetable for Charging Statements and Indicative Budgets

Appendix B – Acronyms

Acronym	Definition
Alt HAN	Alternative Home Area Network
BEIS	Department for Business, Energy and Industrial Strategy (formerly known as DECC – Department for Energy and Climate Change)
CH	Communications Hub
COMR	Completion of Mass Rollout
CPI	Consumer Price Index
CRS	Centralised Registration Service
CSP	Communications Services Provider
DBCH	Dual Band Communications Hub
DCC	Smart DCC
DSP	Data Services Provider
DECC	Department of Energy and Climate Change (now known as BEIS)
ESMS	Enrolled Smart Metering System
GBCS	Great Britain Companion Specification
HAN	Home Area Network
LABP	Licence Application Business Plan
LC	Licence Condition
MSMS	Mandated Smart Metering System
PKI	Public Key Infrastructure
RPI	Retail Prices Index
RY	Regulatory Year
SBCH	Single Band Communications Hub
SEC	Smart Energy Code
SMETS1	Smart Metering Equipment Technical Specification v1
SMETS2	Smart Metering Equipment Technical Specification v2
SMKI	Smart Metering Key Infrastructure
UITMR	User Integration Testing and Mass Rollout

Table 6 – Acronyms

Appendix C – Glossary

Defined Terms	References	Definition
Additional Charges	SEC K11.1 and K8	The Charges payable in respect of Additional User Services.
Additional User Service	LC 6.8; SEC A1.1 and H7	A service requested by a SEC Party pursuant to the SEC other than a Core Communication Service, Enabling Service or Prescribed Business Service. See the DCC2 Licence definition and the applicable SEC Additional User Services provisions.
Advanced Meter	SEC K3.2	Defined in relation to "Mandated Non-Domestic Smart Metering System" (Section K3.2): (a) an Electricity Meter, has the meaning given to that expression in standard condition 39 of the Electricity Supply Licence; and (b) a Gas Meter, has the meaning given to that expression in standard condition 33 of the Gas Supply Licence.
Allowed Revenue	Previous Licence (DCC1) LC 36.8	A historic DCC1 revenue concept under the Previous Licence. Allowed Revenue is the total amount of revenue determined on an accruals basis in relation to each Regulatory Year, in accordance with the Principal Formula outlined in the Licence.
Alt HAN Charges	SEC A1.1	Means the Alt HAN Fixed Charges calculated in accordance with Section K5A or K6B (as applicable) taken together with the Explicit Charges in respect of the Explicit Charging Metrics at Section K7.5(t) and (u).
Alt HAN Co	SEC Z6.1	Has the meaning given to that expression in Section Z2.1 (Establishment of Alt HAN Co).
Alt HAN Costs	SEC Z6.1	Has the meaning given to that expression in Section Z4.2 (Alt HAN Costs and Expenses).
Alt HAN Fixed Revenue	SEC K3.7	Revenue relating to the reimbursement of Alt HAN Costs
Alt HAN Services	SEC Z6.1	Has the meaning given to that expression in Standard Condition 55.7 of the Electricity Supply Licence and Standard Condition 49.7 of the Gas Supply Licence.
Authority	SEC A1.1	Means the Gas and Electricity Markets Authority as established under Section 1 of the Utilities Act 2000.
Bilateral Agreement	SEC A1.1 and H7	An agreement entered into pursuant to SEC Section H7 for Additional User Services between DCC and the relevant Party, subject to the applicable SEC requirements
CH Charging Group	SEC K11.1	Has the meaning given to that expression in Section K3.9.
CH Charging Group Weighting Factors	SEC K3.14	Has the meaning given in Section K3.14 of the SEC.
CH Fixed Charge	SEC K	As set out in Section K3 of the SEC.

Defined Terms	References	Definition
CH Order Management System	SEC A1.1	Means that part of the CH Ordering System described as the 'Order Management System' in the CH Handover Support Materials.
CH Replacement Reimbursement (CHRR)	Sections K2.7–K2.8 and K3.8	Reimbursement of Supplier Parties for eligible Communications Hub replacement events. The associated revenue forms part of Estimated Fixed Revenue and is recovered through Fixed Charges.
CH User Responsibility	SEC A1.1	Has the meaning given to that expression in Section F9.6 of the SEC (Categories of Responsibility).
Change Request	DSP/CSP Contracts	Means a written request for a Contract Change which shall be substantially in the form of Appendix 1 to Schedule 8.2 of the DSP/CSP contract.
Charging Group Weighting Factors	SEC K3.12 and K3.13	Weighting factors designed and determined in accordance with Sections K3.12 and K3.13 of the SEC for the relevant Charging Groups.
Charging Groups	SEC K11.1	Has the meaning given to that expression in Section K3.10 of the SEC.
Charging Methodology	SEC K	Charging Statements are prepared in accordance with the Charging Methodology, which provides the mechanism for determining Fixed Charges (before, during and after UITMR), Explicit Charges and Additional Charges.
Charging Period	SEC K11.1	Means, in respect of each month (the 'current month'), the period from the start of the 16th day of the previous month to the end of the 15th day of the current month.
Charging Statement	LC 27.3 and 27.4	The statement prepared under Condition 27 of the applicable DCC2 Licence setting out the basis on which Service Charges are payable for the Authorised Business, in the form in force at the relevant time.
COMR Period	SEC K5	Refers to the period, during which "mass rollout" of Smart Metering Systems is to be completed.
Communications Hub Finance Charges	SEC A1.1	Means, in respect of each Communications Hub Finance Facility, the DCC's charge to recover the applicable Communications Hub Finance Costs (being a subset of the Communications Hub Charges), in an amount each month determined by the DCC at the time it produces an Invoice for that month.
Communications Hub Service	LC 6.2(b)(iii) and 6.8; SEC A1.1	An Enabling Service comprising the Communications Hub Services as defined in the SEC and referred to in Condition 6 of the DCC2 Licence.
Communications Hubs	SEC A1.1	Means a Communications Hub Function together with a Gas Proxy Function.
Core Communication Services	LC 6.2(a) and 6.8; SEC A1.1	Core Communication Services as defined in the SEC and referred to in Condition 6 of the DCC2 Licence.

Defined Terms	References	Definition
DCC Boxed	SEC H14	Means a testing tool provided by the DCC that replicates the end-to-end DCC Systems, which can be used by Testing Participants outside of the DCC's physical test laboratories
DCC Gateway	SEC H3	The DCC User Gateway is the interface designed to allow communications to be sent between SEC Parties and DCC.
DCC Gateway Connection	N/A	For each Party other than the DCC, the physical infrastructure by which a connection is (or is to be) made between the premises of that Party and the DCC Systems for the purposes of the DCC Services.
DCC Internal Systems	SEC A1.1	Means those aspects of the DCC Total System for which the specification or design is not set out in this Code.
DCC Total System	SEC A1.1	Means the Systems used by the DCC and/or the DCC Service Providers in relation to the Services and/or this Code, including the DCC User Interface, SM WAN and Communications Hubs except for those Communications Hubs which are: • neither installed nor in the possession of the dcc; or • installed but are not Commissioned.
DCC User Gateway Catalogue	DSP/CSP Contracts	Has the meaning given in Schedule 6.3 (Development Process) of the DSP/CSP contracts.
DCC User Interface Services Schedule	SEC A1.1	Means the SEC Subsidiary Document identified as the 'DCC User Gateway Interface Specification' under the applicable SEC provisions.
DCC1		In this document, DCC1 refers to DCC under the Previous Licence, before Business Handover on 2 November 2026. Historic DCC1 costs, margin and reconciliation amounts may remain relevant after Business Handover.
DCC2		In this document, DCC2 refers to DCC under the Smart Meter Communication Licence applying from Business Handover on 2 November 2026, referred to in this document as the DCC2 Licence.
Detailed Evaluation	LC 9.22 and 9.23; SEC H7	A further evaluation of an Additional User Services request, carried out in accordance with the applicable SEC Section H7 and the Licence, with Evaluation Expenses recovered as provided by the Licence and Charging Methodology.
Device	SEC A1.1	Means one of the following individual devices: (a) an Electricity Smart Meter; (b) a Gas Smart Meter; (c) a Communications Hub Function; (d) a Gas Proxy Function; (e) a Pre-Payment Meter Interface Device; (f) a HAN Connected Auxiliary Load Control Switch; and (g) any Type 2 Device.

Defined Terms	References	Definition
Domestic Premises	SEC A1.1	Means premises at which a Supply of Energy is or will be taken wholly or mainly for domestic purposes, which is to be interpreted in accordance with Condition 6 of the relevant Energy Supply Licence.
Electricity Distributors	SEC A1.1	Means, for a Smart Metering System or a Device, the holder of the Electricity Distribution Licence for the network to which the relevant premises are connected.
Enabling Services	LC 6.2(b) and 6.8	The Enabling Services defined in Conditions 6.2(b) and 6.8 of the DCC2 Licence, provided in accordance with an Agreement for Services.
Enrolled Smart Metering Systems	K11.1	Means a Smart Metering System that has been Enrolled
Enrolment	SEC A1.1	Means, in respect of a Smart Metering System, the act of enrolling that Smart Metering System in accordance with the Enrolment Service (and the words "Enrol" and "Enrolled" will be interpreted accordingly). Enrolment of a Smart Metering System ends on its Withdrawal.
Enrolment Service	LC 6.2(b)(i) and 6.8; SEC A1.1	The Enrolment Service as defined in the SEC and referred to in Condition 6 of the DCC2 Licence.
Estimated Additional Service Revenue	SEC K11.1	Has the meaning given to that expression in Section K2.3 of the SEC.
Estimated Explicit Charges Revenue	SEC K11.1	Has the meaning given to that expression in Section K2.5 of the SEC.
Estimated Fixed Revenue	SEC K11.1	Has the meaning given to that expression in Section K2.6 of the SEC.
Estimated Recovered Revenue	SEC K11.1	Has the meaning given to that expression in Section K2.1 of the SEC.
Explicit Charges	SEC K11.1	Means the Charges calculated in accordance with Section K7 of the SEC, and payable in respect of the Explicit Charging Metrics.
Explicit Charging Metrics	Explicit Charging Metrics	Has the meaning given to that expression in Section K7 of the SEC.
Export Supplier	SEC A1.1	Means, for a Smart Metering System or a Device and any period of or point in time, the Supplier Party Registered during that period of or at that point in time in respect of the Export MPAN relating to that Smart Metering System or Device (but excluding Smart Metering Systems or Devices for which there is no related Import MPAN, in which circumstance such Registered Supplier Party is deemed to be the Import Supplier in accordance with the definition thereof).

Defined Terms	References	Definition
Extensible Markup Language	Technical term	Extensible Markup Language defines a set of rules for encoding documents in a format that is both human-readable and machine-readable. The design goals of the language emphasise simplicity, generality, and usability over the Internet.
External Costs	LC 24.17	Costs economically and efficiently incurred in procuring Fundamental Service Capability in relation to the relevant Regulatory Year, as defined in Condition 24.17 of the DCC2 Licence.
External Service Provider	LC 1.4	A person from whom Relevant Service Capability is procured by the Licensee, including capability procured by virtue of Condition 10.6, for the purpose of enabling Mandatory Business Services under or pursuant to the Smart Energy Code or Retail Energy Code.
First Relevant Policy Objective	LC 26.6	As set out in Condition 26.6 of the DCC2 Licence.
Fixed Charges	SEC A1.1	Has the meaning given to that expression in the Charging Methodology in Section K of the SEC.
Follow-up Security Assessment	SEC A1.1	Has the meaning given to that expression in Section G8.17 of the SEC (Categories of Security Assurance Assessment).
Full User Security Assessment	SEC A1.1	Has the meaning given to that expression in Section G8.14 of the SEC (Categories of Security Assurance Assessment).
Fundamental Service Capability	LC 1.4; Condition 10; Schedule 1	Has the meaning given in Condition 10 of the DCC2 Licence, as amplified by the particulars in Schedule 1 to that Licence.
Fundamental service provider (FSP)		These are all External Service Providers that provide Fundamental Service Capability
Gas Supplier	SEC A1.1	Means, for a Smart Metering System or a Device and any period of or point in time, the Supplier Party Registered during that period of or at that point in time in respect of the MPRN relating to that Smart Metering System or Device.
Gas Transporter	SEC A1.1	Means, for a Smart Metering System or a Device, the holder of the Gas Transporter Licence for the network to which the relevant premises are connected.
GIT for Industry	SEC H14	Means a test tool provided by DCC to validate implementation of GBCS by a Device.
Great Britain Companion Specification	SEC A1.1	The Great Britain Companion Specification is the final part of the Smart Metering Equipment Technical Specification that defines the technical details of electricity and gas meters, In Home Displays (IHD) and Communications Hubs. It defines the details of the technical protocol used for these devices to communicate with each other. It is a fundamental and critical part of the smart metering ecosystem with many aspects of the DCC Service dependent on its quality and completeness.

Defined Terms	References	Definition
HAN Variant	K11	For the purposes of Section K there shall be only two HAN Variants: Single Band and Dual Band, as further described in Appendix I (CH Installation and Maintenance Support Materials)
Impact Assessment	DSP/CSP contracts	Means a detailed impact assessment of a Change Request substantially in the form of Appendix 3 to Schedule 8.2 and as further described in paragraph 7 of Part F of Schedule 8.2 of the DCC Service Provider contracts.
Import Supplier	SEC A1.1	Means, for a Smart Metering System or a Device and any period of or point in time: (a) the Supplier Party Registered during that period of or at that point in time in respect of the Import MPAN relating to that Smart Metering System or Device; or (b) where there is no related Import MPAN for that Smart Metering System or Device, the Supplier Party Registered during that period of or at that point in time in respect of the Export MPAN relating to that Smart Metering System or Device.
Internal Costs	LC 24.17	The sum of costs, excluding External Costs and Pass-Through Costs, economically and efficiently incurred to provide the Authorised Business in relation to the relevant Regulatory Year, as defined in Condition 24.17 of the DCC2 Licence.
Legacy margin adjustment	Previous Licence and applicable determination	A legacy DCC1 margin adjustment. Any amount retained in DCC2 charges must be supported by the applicable determination; it is not a separate Baseline Margin entitlement under the DCC2 revenue formulas.
Mandated Smart Metering Systems	SEC K11.1	Means, from time to time, each MPAN or MPRN associated with a Domestic Premises (regardless of whether or not a Smart Metering System has been installed or Enrolled), but excluding: (a) those MPANs and MPRNs associated with premises in respect of which the DCC is exempted from the requirement to Enrol Smart Metering Systems in accordance with the Statement of Service Exemptions; and (b) those MPANs that do not have the status of "traded" (as identified in the MRA) and those MPRNs that do not have a status that indicates that gas is off- taken at the supply point (as identified in the UNC).
Mandatory Business Services	LC 6.2 and 6.8	Core Communication Services, Enabling Services, Additional User Services and Prescribed Business Services, as specified in Condition 6.2 of the DCC2 Licence.
National Fixed Revenue	SEC K3.7	Is the revenue that should be recovered on a uniform basis across all the Regions.
Non-Domestic Premises	A1.1	Means premises other than Domestic Premises
Notice	LC 1.4	Means prior notice given directly to a person in Writing (and includes a notification).

Defined Terms	References	Definition
Other Enabling Service	SEC A1.1	Means the Services other than the Enrolment Services, the Communications Hub Services and the Communication Services.
Parse and Correlate Software	SEC H11	Parse and Correlate Software ensures that the Extensible Markup Language commands sent to Smart Meter devices from SEC Party systems have the same meaning as the corresponding command in the Service Request format used by Smart Meter devices.
Party	SEC A1.1	Means, from time to time, a person that has agreed to be bound by the SEC (either pursuant to the Framework Agreement or an Accession Agreement), and (without prejudice to Section M8.14 (Consequences of Ceasing to be a Party)) that has not at that time ceased to be so bound in accordance with Section M8 (but excluding SECCo).
Pass-Through Costs	LC 24.17	The amounts paid by the Licensee to agreed third parties for the purposes specified in Condition 24.17 of the DCC2 Licence.
Price Control Condition	DCC Licence Chapter 6	The DCC2 business-plan, revenue-control and charging provisions are set out in Chapter 6, Conditions 22 to 27. References to the previous licence's Price Control Conditions describe that historic framework only.
Privacy Assessment Report	SEC A1.1	Has the meaning given to that expression in Section I2.17 of the SEC (The Privacy Assessment Report).
Privacy Assessments	SEC A1.1	Means a Full Privacy Assessment, Random Sample Privacy Assessment or User Privacy Self-Assessment.
Project	CSP/DSP Contracts	As set out in Schedule 8.8 to the DSP/CSP contracts.
Public Key Infrastructure	N/A	A Public Key Infrastructure is the set of hardware, software, people, policies and procedures needed to create, manage, distribute, use, store, and revoke digital certificates.
Recoverable Cost	SEC A1.1	Has the meaning given to that expression in Section C8.2 of the SEC (SEC Costs and Expenses).
Recovered Revenue	LC 25.2	The total Service Charges levied for a Regulatory Year, subject to the revenue restriction and related definitions in Condition 25 of the DCC2 Licence.
Region	SEC A1.1	Means each of the geographical regions of Great Britain that are subject to different DCC Service Provider Contracts, the exact boundaries of which will be as published by the DCC (or the Panel on behalf of the DCC) from time to time.
Regional Communications Hub Revenue	SEC K11.1	Has the meaning given to that expression in Section K3.8 of the SEC.
Regional Fixed Revenue	SEC K11.1	Has the meaning given to that expression in Section K3.8 of the SEC.

Defined Terms	References	Definition
Registration Data Provider	SEC A1.1	Means, in respect of each Network Party, the person nominated as such in writing to the DCC from time to time by that Network Party, on the basis that more than one Party may specify the same Registration Data Provider, and that the Network Party shall be deemed to have so nominated itself in the absence of any other nomination.
Regulated Revenue	Previous Licence; historic DCC1 term	A historic DCC1 revenue concept under the Previous Licence. Regulated Revenue is the actual revenue measured on an accruals basis in relation to each Regulatory Year received by DCC based on Service Charges levied in the Charging Statement. It is retained only where needed to explain DCC1 reconciliation and must not be used as a substitute for DCC2 Recovered Revenue.
Regulatory Instructions and Guidance	LC 23 and 25; applicable Authority guidance	For DCC2 price-control information and revenue reporting, refer to Conditions 23 and 25 and the applicable Authority guidance. Any historic reference to Regulatory Instructions and Guidance must identify the previous-licence framework.
Regulatory Year	LC 1.4	Under the DCC2 Licence, the first Regulatory Year begins on the First Transfer Date and ends on the following 31 March. Subsequent Regulatory Years are periods of 12 months beginning on 1 April and ending on 31 March.
Relevant Service Capability	LC 1.4 and Condition 10	Capability procured, or provided from the Licensee's own resources, in accordance with Condition 10 of the DCC2 Licence for the purposes of securing the provision of Mandatory Business Services.
Required Revenue	LC 24.2 and 24.4	The revenue requirement determined by the Authority for the relevant Regulatory Year under Condition 24.2 of the DCC2 Licence and calculated in accordance with Condition 24.4.
Service Charges	SEC J1.1	Service Charges are determined in accordance with the Charging Statement applicable from time to time.
Service Desk	SEC A1.1	Has the meaning given to that expression in Section H8.19 of the SEC (Service Desk)
Service Requests	DCC User Gateway Services Schedule	A Service Request is a request for one of the 'messages' listed in the DCC User Gateway Service Schedule (or, in the case of Additional User Services, provided for in the relevant Bilateral Agreement).
Smart Metering Key Infrastructure	SEC L	A Smart Metering Key Infrastructure is the equivalent of a Public Key Infrastructure hierarchy for an end-to-end Smart Metering System.
Smart Metering System	LC 1.4	Means either: (a) an Electricity Smart Meter together with the Communications Hub Function with which it is Associated, together with the Type 1 Devices (if any) that may from time to time be Associated with that Electricity Smart Meter; or (b) a Gas Smart Meter together with the Communications Hub Function with which it is Associated and an Associated Gas Proxy Function, together with the Type 1 Devices (if any) that may from time to time be Associated with that Gas Proxy Function.
Test Communications Hub	SEC A	Means:

Defined Terms	References	Definition
		(a) until such date as the DCC may determine (or such earlier date as the Secretary of State may designate for the purposes of this definition), a Prototype Communications Hub; and (b) after such date, a device that is equivalent to a Communications Hub, but which contains such variations in functionality as the DCC reasonably considers appropriate to enable the device to be used for the purposes of testing, which device is provided (or to be provided) for the purpose
Testing Participant	SEC A1.1	Means, in respect of each Testing Service, the persons (whether or not they are Parties) who are entitled to undertake such tests, as described in Section H14 (Testing Services), together with any other persons identified as such in Section T (Testing During Transition).
Unacceptable Costs	Previous Licence; historic DCC1 term	A historic DCC1 price-control concept describing costs considered not economically and efficiently incurred under the Previous Licence. Any related adjustment included in DCC2 charges requires the applicable determination.
User Security Assessment	SEC A1.1	Means either a Full User Security Assessment or a Verification User Security Assessment.

Table 8 – Glossary

DCC Public