

This document is classified as **White** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

SECMP0043 Modification Report Consultation

1. Purpose

This is the Modification Report Consultation for [SECMP0043 'Modification to Services Force Majeure Provisions'](#). We invite you to respond to this consultation in order to help inform the Change Board in its vote on this modification.

The Modification Report is included in this consultation pack, along with a response form containing the questions we seek your views on.

This consultation will close at **17:00 on Thursday 10 January 2019**. The Change Board may not be able to consider late responses.

2. Summary of the proposal

What is the issue?

In April 2018, Ofgem implemented the Data Communications Company (DCC) Operational Performance Regime (OPR) through modification to the Smart Meter Communication Licence (DCC Licence). The key principles underpinning the design of the OPR performance measures are consistent with the Performance Measures in SEC Section H13. The OPR places performance incentives on the DCC by placing 100% of the value of DCC's smart meter related margin at risk.

Following a review of current regulation, the DCC believes that neither the OPR or the SEC provide an application process for the DCC to apply for relief for 'all categories' of exceptional events (events outside the DCC's control). In the absence of a process for a broader concept of exceptional events in the SEC, the DCC believes there is a risk that it will be unfairly penalised under the OPR for delayed or non-delivery of DCC services due to events outside its control.

An application process does exist under SEC Section M3 for Services Force Majeure (FM) under which the DCC can apply to the SEC Panel for relief for delayed or non-delivery of DCC Services. However, Services FM is narrowly defined and only applies to a limited number of exceptional events, such as acts of terrorism or war; it does not apply to all events outside the DCC's control.

What is the Proposed Solution?

The proposed solution is to introduce a new application process under SEC Section H, which the DCC and the Panel would follow if the DCC wishes to claim relief for exceptional events for its OPR reporting. This new process is distinct from the existing Services FM application process. It introduces a broader concept of exceptional event under a new definition of OPR Exceptional Event and sets out the relief application process. This solution would apply only to the DCC's reporting under the OPR, and not to the DCC service provider reporting under SEC Section H13.

Will I be impacted?

SECMP0043 is expected to impact the following SEC Parties:

- DCC

Full details of how this modification may impact you can be found in the Modification Report.

3. Contact

If you have any questions on this modification, please contact **David Kemp** on 020 7090 7762 or email sec.change@gemserv.com.