

ANNEX B: Legal text of proposed new DCC licence condition.

Condition XX. Enduring Change of Supplier Arrangements

Introduction

1. This condition enables the Secretary of State to make appropriate provision under this Licence and the Smart Energy Code for the purpose of facilitating the achievement of efficient, economical, co-ordinated, and enduring arrangements for the changing of Device Security Credentials on or following completion of a Supplier Transfer in respect of a premises at which there is a Smart Metering System (the '**Enduring Change of Supplier Arrangements**').

Part A. Production of Plan for Enduring Change of Supplier Arrangements

2. The Licensee must, as soon as reasonably practicable and in any event by no later than any such date as may be specified in a direction issued under this paragraph to the Licensee by the Secretary of State, prepare and submit to the Secretary of State, for approval, a plan for the design, development, and implementation of the systems, processes, and procedures intended to comprise the Enduring Change of Supplier Arrangements.
3. For the purpose of producing and submitting the plan required under paragraph 2, the Licensee must first:
 - (a) issue the plan in draft to the SEC Panel and all SEC Parties;
 - (b) consult with those persons about the proposed content of the plan; and
 - (c) have due regard to the responses to the consultation in determining whether, and if so how, to amend the plan before submitting it to the Secretary of State for approval.
4. The Licensee must, as soon as practicable following the consultation undertaken in accordance with paragraph 3(b), submit its proposed plan to the Secretary of State for approval, together with:
 - (a) a fair and accurate summary of the comments received by the Licensee in the course of the consultation; and
 - (b) an explanation of how and to what extent (if any) the Licensee has taken account of such comments in the plan submitted for approval.
5. Where the Secretary of State does not approve the Licensee's proposed plan, the Secretary of State may issue a direction to the Licensee:
 - (a) to make such modifications, or modifications of such nature or purpose or effect, to the plan as are specified in the direction;
 - (b) for that purpose to comply with any requirements with respect to process and timeframe as may be specified in the direction; and

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- (c) to resubmit a proposed plan to the Secretary of State for approval by such date as may be specified in the direction.
- 6. The Secretary of State may give a direction under paragraph 5 in respect of any plan submitted to it under paragraph 4 or paragraph 5(c).
- 7. The Secretary of State may, following any such consultation as he considers appropriate with SEC Parties and such other persons as he considers appropriate, approve a plan submitted to him under paragraph 4 or 5(c) (as the case may be).

Part B. Implementing the approved plan

- 8. The Licensee must take all reasonable steps to give effect to the plan approved by the Secretary of State, and such steps:
 - (a) must include:
 - (i) working in conjunction and co-operation with Energy Suppliers with a view to achieving that purpose in accordance with such timescales as are specified in or determined under the plan; and
 - (ii) making changes to existing Relevant Service Capability and/or procuring additional Relevant Service Capability, in each case to such extent as may be required for that purpose; and
 - (b) may include the establishing of processes and procedures to be followed by SEC Parties, including the Licensee, for the orderly and co-ordinated transition and migration from transitional change of supplier arrangements to the Enduring Change of Supplier Arrangements and notifying SEC Parties of such processes and procedures.

Part C. Powers to direct and approve production of a new plan

- 9. This Part C applies if the Secretary of State is of the opinion that the plan established by virtue of Part A above is no longer suitable for the purpose of facilitating the implementation of Enduring Change of Supplier Arrangements.
- 10. If this Part C applies, the Secretary of State may direct the Licensee to produce a new plan, covering the same matters as those for which paragraph 2 provides and any additional matters specified in the direction, which will be more suitable for the purposes of facilitating the implementation of Enduring Change of Supplier Arrangements.
- 11. A direction given under paragraph 10 may include requirements for the new plan to replace, in whole or in part, the plan already established by virtue of Part A above, or to add to the provisions of any such plan.
- 12. In complying with a direction given under paragraph 10, the Licensee must do so in accordance with the provisions of paragraphs 3 to 5.

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13. Where any new plan produced under this Part C has been approved by the Secretary of State pursuant to paragraph 4 or paragraph 5(c) (as the case may be), the Licensee must implement the approved plan (with any amendments that may have been specified in the approval) in the same terms as apply to the Licensee under paragraph 8.

14. In this Condition:

Device Security Credentials has the meaning given to it in the SEC.

Supplier Transfer has the meaning given to that term:

- (a) in relation to the supply of electricity, in standard condition 1 (Definitions for standard conditions) of the licences granted, or treated as granted, under section 6(1)(d) of the 1989 Act; and
- (b) in relation to the supply of gas, in standard condition 14A (Customer transfer) of the licences granted, or treated as granted, under section 7A(1) of the 1986 Act.