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MP275 ‘Section K changes to support 4G Communications Hubs rollout’ Conclusions Report – Version 0.1

About this document

This document summarises the responses received to the Modification Report Consultation regarding approval or rejection of this modification.

Summary of conclusions

Modification Report Consultation

SECAS received three responses to the Modification Report Consultation. Two respondents believed that the modification should be approved. One respondent abstained, as they believed further information should be provided before a decision can be made. The approving respondents considered the modification better facilitated SEC Objectives (a)¹, (b)², (d)³ and (g)⁴.

¹ facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

² enable the Data Communications Company to comply at all times with the General Objectives of the Data Communications Company (as defined in the Data Communications Company Licence), and to efficiently discharge the other obligations imposed upon it by the Data Communications Company Licence.

³ facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy.

⁴ facilitate the efficient and transparent administration and implementation of this Code.

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Modification Report Consultation responses

Summary of responses

Two respondents believed that the modification should be approved. One respondent highlighted that the modification has been granted Urgency in order to facilitate a timely start of 4G Communications Hubs (CHs) mass rollout. They went on to reaffirm their support for the modification and expressed their wish for it to not be delayed by a send-back decision. The respondent highlighted that their support is based on the Data Communications Company's (DCC) forecasts for the expected costs of the 4G rollout. These costs should be subject to regular reviews throughout the year to ensure the DCC does not recover over its Allowed Revenue. Their final point emphasised that this modification is required regardless of the outcome of the upcoming SEC Panel recommendation to the Department of Energy and Net Zero (DESNZ) on Financing vs Funding the 4G CHs programme.

The need for this modification was echoed by the second respondent to the modification, caveating that there are still concerns regarding the final costs that will be borne by the end consumer. The respondent urged the DCC to be mindful of the impact on consumers and consider the appropriate mechanisms for spreading the cost of the impact.

The third respondent abstained. Their views remain that there is not enough information that would enable the Party to either support or reject the modification. As the final cost will be ultimately borne by end consumers, access to accurate costs and modelling should be made available before industry can reach a decision. The respondent acknowledges that the DCC will be providing costs in January 2025 however as this would be after the end date of the consultation, they do not feel adequately informed to decide regarding approval or rejection at this stage.