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DP252

‘Amending the process for Communications Hub returns’

Modification Report

Version 0.2

12 December 2023



About this document

This document is a draft Modification Report. It currently sets out the background, issue, and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

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Contact

If you have any questions on this modification, please contact:

Elizabeth Woods

020 4566 8335

elizabeth.woods@gemserv.com

1. Summary

This proposal has been raised by David Lane from SMS PLC.

Smart Energy Code (SEC) Section F 'Smart Metering System Requirements' and Appendix I 'CH Installation and Maintenance Support Materials' details the requirements/obligations to enable Parties to return Communication Hubs. This can either occur where a problem is identified prior to its installation or after installation and subsequent removal. To return a Communications Hub, the Party must send a Service Reference Variant (SRV) for each Communications Hub they want to return to the Data Communications Company (DCC).

The DCC has identified over 65,000 Communications Hubs which are 'not on the wall' and are in the possession of non-Responsible Parties. Where the Party in possession is not the Responsible Supplier, the Party are unable to decommission the Communications Hub or identify the Responsible Supplier.

At the DCC Returns Workshop in July 2023 and the DCC Supply Chain Working Group in December 2023, the DCC received feedback from industry of issues within the whole process. There was agreement amongst attendees that the current process does not work well and is inefficient, with attendees noting there have been many issues raised over the last few years in various forums. Attendees felt there was a need for a fit for purpose process to address issues now and for future volumes of Communications Hub returns.

The Communications Hubs in the Proposer's (and other non-responsible Parties) possession are taking up space in their warehouses and incurring ever increasing storage costs. The Proposer also noted that where they are unable to meet service level agreement (SLA), there is a financial impact for the Party in possession of the Communications Hub, the Responsible Supplier and indirectly, consumers.

The Proposer also highlighted that the volume of Communications Hubs will continue to increase and likely at an accelerated rate once there is a move into the 4G Communications Hubs.

2. Issue

What are the current arrangements?

A Communications Hub is a physical Device that includes a Communications Hub Function (CHF) together with a Gas Proxy Function (GPF) that is used to connect a Smart Meter with the DCC System. Each Communications Hub remains the property of the DCC, and the Responsible Supplier is charged with a rental fee for each one. This rental fee is triggered upon the point of delivery and remains whether the Communications Hub is installed at a property or being held in storage prior to installation.

The DCC provides a returns process for Communications Hubs. The aim being that these can be triaged, refurbished and reissued. The Communications Hub can either be returned without ever being installed at a property or following a removal. To return a Communications Hub, the Party must send an individual SRV for each Communications Hub they want to return to the DCC. Clauses 9 and 10 of SEC Appendix I outline how a Communications Hub should be removed, notify the DCC of its return and how to return the Communications Hub. Currently two key conditions must be met:

1. The SRV requesting return must originate from the Supplier who is responsible for the Communications Hub; and
2. The Communications Hub status must be either 'Decommissioned' if it has been installed previously or returned prior to installation.

Alternatively, if a Party is not able to submit an SRV in accordance with SEC Appendix I clauses 9.4, 9.5, 9.6, 9.7 or 9.8 that Party shall contact the DCC Service Desk.

The SRVs associated with Communications Hub returns are outlined in SEC Appendix AD 'DCC User Interface Schedule' (DUIS). They are SRV 8.14.3 (CommsHubStatusUpdate-FaultReturn) and SRV 8.14.4 (CommsHubStatusUpdate-NoFaultReturn). The criteria states the only Eligible Users are Import Suppliers, Gas Suppliers and Registered Supplier Agents (RSA).

What is the issue?

The Proposer, who is a Meter Operator (MOP), has accumulated over 20,000 Communications Hubs over the years, which have ended up in their possession through incorrect removal procedures and not in the status of decommissioned on the Smart Metering Inventory (SMI). As the Proposer is not the Responsible Supplier, they are unable to decommission the Communications Hub nor identify the Responsible Supplier due to the confidentiality clauses in SEC Section M 'General' as follows:

M4. CONFIDENTIALITY

Prohibition on disclosure and use by DCC

- M4.1 Subject to Sections M4.3 and M4.4, the DCC shall not disclose another Party's Confidential Information to, or authorise access to another Party's Confidential Information by, any person.*
- M4.2 Subject to Section M4.3, the DCC shall not use a Party's Confidential Information for any purpose other than the purpose for which it was provided (or otherwise made available) to the DCC, and in any event for any purpose other than the purposes of this Code*

The ownership of a Communications Hub would fall into that definition of Confidential Information, which the DCC is therefore precluded from disclosing. This is likely an oversight from when the SEC was drafted, however, the prohibition is clear. The SEC would need to be amended to provide the DCC with the authority to provide this information to other parties.

Due to the Party in possession of the Communications Hubs being unable to update the details to the DCC these Communications Hubs are unable to undergo triage, refurbishment, redeployment, or secure disposal. This also has means there are incorrect charges placed on Suppliers for Communications Hubs which are no longer at a consumer's premises, nor in the Supplier's possession. A further complication is that due to the age of some of these stranded Communications Hubs, the current Responsible Supplier may not be the Party who was the Supplier when the Communications Hub was incorrectly removed due to consumers switching Suppliers.

The Proposer has found the Communications Hub removal and returns process overly complicated and resource heavy. This holds challenges for Parties to follow efficiently and allow for Devices to be returned within the timeline stated in the SEC Appendix I 'CH Installation and Maintenance Support Materials' as follows:

10. COMMUNICATIONS HUB RETURNS

- 10.1 *Where a Supplier Party has handed back a Special Installation Mesh Communications Hub to the DCC whilst in attendance at the relevant premises and where the Special Installation Mesh Communications Hub had been installed at a previous installation visit, the Party shall submit Service Request 8.14.3 (Communications Hub Status Update – Fault Return) or Service Request 8.14.4 (Communications Hub Status Update – No Fault Return) in respect of the Communications Hub returned in accordance with DUIS within three (3) Working Days.*

Delivery of Returns

10. 11 *Where the Party does not return a Communications Hub within 90 days pursuant to Section F8.6 of the Code, the Communications Hub shall be deemed to be lost or stolen and the DCC shall prevent that Communications Hub from connecting to the SM WAN.*

As referenced in SEC Section F 'CH Installation and Maintenance Support Materials' as follows:

F8. REMOVAL AND RETURN OF SMETS2+ COMMUNICATIONS HUBS

Return of Communications Hubs

- F8.6 *Where a Communications Hub is removed by a Supplier Party from a premises at which it was previously installed, the Supplier Party shall return the Communications Hub to the DCC within 90 days after the date of its removal. This obligation to return a Communications Hub only applies where the Communications Hub Function which forms part of that Communications Hub has at any time had an SMI Status of 'installed not commissioned' or 'commissioned'.*

These sections and clauses constitute a 90-day SLA to return the Communications Hub following decommission, and a three-day SLA between decommission and return request SRV sent.

Based on the above, the main issues the Proposer would like to explore further as part of this modification are as follows:

- Inability to Identify current Communications Hub's Responsible Party and no current process for Non-Responsible Party to return Communications Hub to Communications Service Provider (CSP). Non-Responsible Parties unable to send secure SRV 8.3 'DecommissionDevice' before sending SR8.14.3 'CommsHubStatusUpdate-FaultReturn' and SR 8.14.4 'CommsHubStatusUpdate-NoFaultReturn' for Communications Hubs to be returned.
- No process to return Communications Hubs where a Change of Supplier process has failed to change the Responsible Party or a current Supplier fails to Decommissioned at point of Communications Hubs removal and subsequently, the Consumer proceeds with a Change of Supplier.

- SEC Parties unable to meet the 90 Day SLA from when SRV 8.3 'DecommissionDevice' and SR8.14.3 'CommsHubStatusUpdate-FaultReturn' or SR 8.14.4 'CommsHubStatusUpdate-NoFaultReturn' is sent until the Communications Hub is returned to CSP.
- The current manual process for the DCC and SEC Parties to validate each Communications Hub return request, adding time delays to the process which prevents unsolicited Communications Hub returns being sent to the CSP.
- With current Communications Hub returns process being laborious, this has limited the volume of Communications Hub returns which can be processed by the CSP.
- Lack of near real time reporting mechanism to monitor Communications Hubs returns data.

What is the impact this is having?

The Proposer has over 20,000 Communications Hubs in their possession, taking up space in their warehouses and incurring ever increasing storage costs. The DCC has noted they are aware of over 65,000 Communications Hubs which are not 'on the wall' and are with non-Responsible Parties. These Communications Hubs will also be the cause of ongoing rental charges to the Responsible Supplier until they're returned. The Proposer also noted that where they are unable to meet SLA, there is a financial impact for the Party in possession of the Communications Hub, the Responsible Supplier and indirectly, consumers. The Proposer believes that if the rules are relaxed or an alternative returns route can be found, the Communications Hubs could undergo triage, redeployment, refurbishment or secure disposal.

The Proposer also noted that the volume of Communications Hubs will continue to increase and at an accelerated rate once we move into 4G Communications Hubs.

Impact on consumers

There is an indirect impact on all consumers, as this would mean costs associated with Communications Hubs are allocated correctly to SEC Parties. It would also ensure uninstalled or removed Communications Hubs are able to undergo triage, redeployment, refurbishment or secure disposal. This would reduce the number of new Communications Hubs that need to be manufactured which should result in cost saving for industry, which is passed onto consumers.

3. Assessment of the proposal

Areas for assessment

Number of Communication Hubs with non-Responsible Parties

The Proposer has noted they have 20,000 Communications Hubs in their warehouses and this number is growing daily. The DCC has identified over 65,000 Communications Hubs which are not at consumer premises and instead are with non-Responsible Parties.

The Proposer agrees the confidentiality clause applies, however wanted to explore the possibility of having an opt-in scheme with clearly defined minimal data of the current Responsible Parties' data to

be shared with the DCC as a mediator. They believed that this would help to immediately alleviate the current number of Communications Hubs being held in various parties' warehouses.

This will need to be investigated more during the development stage to fully understand the scale of the issue and support the business case.

How far will this issue grow as 2G/3G Communications Hubs are replaced?

SECAS notes that the transition to 4G Communications Hubs in 2025 will likely drive a large increase in Communications Hubs affected by this issue. Attendees at a DCC Returns workshop queried DCC about costs and volumes of Communications Hubs in supply chain at point of transition in 2025. The DCC provided information suggesting they expect c.200-300k Communications Hubs to be surplus to requirements. There was consensus to limit Communications Hubs surplus to requirements; with options to increase exchanging Communications Hubs between Parties who have surplus, limiting new orders, and having a fit for purpose returns process. The business case for the modification will be affected by these outcomes and monitored by the Communications Transition Group (CTG) as industry transitions to 4G Communications Hubs.

Sub-Committee input

SECAS has engaged the Chairs from the Operations Group (OPSG), the Technical Architecture and Business Architecture Sub-Committee (TABASC), the Security Sub-Committee (SSC) and the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) to confirm what input is required from these forums. SECAS believes the following Sub-Committees will need to provide the following input to this modification:

Sub-Committee input	
Sub-Committee	Input sought
OPSG	Develop process for smoother and easier Communication Hub returns process for all Parties involved
SMKI PMA	We do not believe this has any SMKI impacts
SSC	We do not believe this has any security impacts
TABASC	Feedback on potential changes to business process and changes to SRVs that may be developed

Observations on the issue

DCC Returns Workshop discussion

The Communications Hubs returns process was discussed at the DCC Returns Workshop in July 2023. There was agreement amongst attendees that the current process does not work well and is inefficient, with attendees noting there have been many issues raised over the last few years in various forums. Attendees felt there was a need for fit for purpose process to address issues now and for future volumes Communications Hub returns.

Below are some of the discussion points of the workshop:

- There is a disconnect between ‘man with a van’ and back office, to create SRV for returns within current SLA, and growing number of Communications Hubs Parties don't own in their possession.
- Views expressed that a simplified process is needed and that removal of the 90-day SLA would help, along with removal of mandatory SRV from Current Supplier to the DCC:
 - Questions raised as to the implications of removing the SRVs and leaving this up to the DCC (via their CSPs) to complete upon return.
 - It was noted that more than one SEC Party has invested in systems/process to make the current process work and have capability for multiple/bulk SRV returns. While Other SEC Parties have not.
 - Noted that previous attempt to raise a Bulk Returns Process ([MP117 'Bulk CH returns'](#)) had failed on grounds of costs and lack of necessity for all.
- The DCC has had exploratory talks with DCC Service Providers (SPs) about potential simplification, however. there was no detail on system changes, time or potential costs mentioned.

The outcome of the DCC Workshop was for this Modification to be raised, and the DCC has committed to have regular call about returns process each month with SEC Parties to work through issues and progress – this will be aligned with Supply Chain Working Group monthly meetings.

Bulk returns request tool

The Proposer's organisation is currently in development of a bulk returns request tool and are aware there are several other SEC Parties who have already invested to have their own bulk returns request tool. Currently, the Proposer and others without a bulk returns request tool are needing to raise individual SRs for each Communications Hub they wish to return to the DCC. The Proposer also noted that they would not want any amendment of the Communications Hubs returns process to interfere with this. As this portion of the issue has been previously discussed under [MP117 'Bulk CH returns'](#), which was ultimately withdrawn due to the cost involved, the Proposer has requested that a bulk returns request tool not be included as part of this modification.

DCC Supply Chain Working Group discussion

This modification was discussed at the DCC Supply Chain Working Group in December 2023. There was agreement amongst attendees that the timeline is for when this modification might get a solution in place too far in the future. There were concerns that this would not alleviate issues in time for 4G rollout. There was agreement that the current process does not work well and has led to this issue of non-Responsible Parties in possession of Communications Hubs which they are unable to do anything with. Attendees felt there needed to be a quicker solution to resolve the current unidentified Communications Hubs in their possession, as this has a direct impact for MAPs and Suppliers. There was a request for the DCC to investigate a possible Communications Hub amnesty until this modification can look into an enduring solution which is future proofed.

Appendix 1: Progression timetable

Timetable	
Event/Action	Date
Draft Proposal raised	5 Oct 2023
Presented to CSC for initial comment	17 Oct 2023
<i>CSC converts Draft Proposal to Modification Proposal</i>	19 Dec 2023
<i>Business requirements developed with Proposer</i>	20 Dec 2023 – 31 Jan 2024
<i>Modification discussed with the Working Group</i>	7 Feb 2024
<i>Business requirements discussed with OPSG</i>	13 Feb 2024
<i>Preliminary Assessment requested</i>	14 Feb 2024
<i>Preliminary Assessment returned</i>	12 Mar 2024
<i>Preliminary Assessment discussed with Working Group</i>	3 Apr 2024
<i>Preliminary Assessment discussed with OPSG</i>	9 Apr 2024
<i>Refinement Consultation</i>	17 Apr – 10 May 2024
<i>Modification discussed with Working Group</i>	5 Jun 2024
<i>Impact Assessment costs approved by Change Board</i>	26 Jun 2024
<i>Impact Assessment requested</i>	27 Jun 2024
<i>Impact Assessment returned</i>	10 Sep 2024
<i>Modification discussed with Working Group</i>	2 Oct 2024
<i>Modification discussed with OPSG</i>	9 Oct 2024
<i>Modification Report approved by CSC</i>	19 Nov 2024
<i>Modification Report Consultation</i>	20 Nov – 11 Dec 2024
<i>Change Board Vote</i>	19 Dec 2024

Italics denote planned events that could be subject to change

Appendix 2: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	Full term
CH	Communications Hub
CHF	Communications Hub Function
CSP	Communications Service Provider
CTG	Communications Transition Group
DCC	Data Communications Company
DUIS	DCC User Interface Services
GPF	Gas Proxy Function

Glossary	
Acronym	Full term
MOP	Meter Operator
OPSG	Operations Group
RSA	Registered Supplier Agent
SEC	Smart Energy Code
SECAS	The Smart Energy Code Administrator and Secretariat
SLA	service level agreement
SM WAN	Smart Metering Wide Area Network
SMI	Smart Metering Inventory
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SP	Service Provider
SRV	Service Request Variant
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee