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XX August 2022

Dear XXXXX,

Communication Hubs Global Supply Chain Issue – Reporting Transparency

I am writing to you on behalf of the Smart Energy Code (SEC) Operations Group (OPSG) to highlight concerns raised by members on the transparency and accuracy of reporting in relation to the Communication Hub (CH) supply chain issues encountered since 2021.

The OPSG noted that the DCC has been engaging with Industry via Forums including the OPSG, DCC's Supply Chain Working Group and BEIS' Smart Metering Delivery Group (SMDG) to provide updates and discuss key risks and issues in relation to the global supply chain issue and have been actively engaging with Parties to understand stock needs and requirements and ensure Parties have sufficient stock to fulfil installations targets.

The OPSG noted that the DCC has implemented the Temporary CH Ordering and Delivery Rules (TCHODR)¹ in December 2021, to provide a longer forecast and commitment from Parties with a more lenient tolerance on committed orders (+/-10 to 20% forecast in some instances) to manage the risk to forecasting and ordering. However, there issues with the DCC's ability to meet these orders have continued throughout 2022, even under the TCHODR.

At the OPSG on 12 July 2022 and 25 July 2022 the group challenged the DCC on how the global supply chain issues have been reflected in the DCC Performance Measurement Report (PMR)² and that, although they have stock available, Parties have had to reduce their targets and install rates to accommodate this issue, which is not reflected in the reporting.

The OPSG noted that the CH delivery metric in the PMR is no longer a metric of the Operational Performance Regime (OPR). The OPSG had raised this metric as a recommendation for 'Install & Commission' in the OPR for RY2022/23, although noted at the time that the current reporting would not be reflective of the supply chain issues and would therefore not accurately represent Install & Commission. The OPSG acknowledged that Ofgem took the decision to not include this metric.

The DCC has since agreed to provide the reporting as per the ask of OPSG members, which will accurately represent where deliveries have been deferred due to global supply chain issues (rather than exclude them from the performance metric). The DCC made the adjustment from the June 2022 PMR to support User needs.

¹ [MP130 'CH order and delivery changes due to COVID-19'](#) and [MP188 'Temporary Communications Hub Ordering and Delivery Rules extension'](#)

² Service Provider Metric CH1.1 'Percentage of CHs delivered on time'

The OPSG requested that although the DCC has demonstrated commitment to support and mitigate the impact on the CH supply chain, it did not consider that this was being adequately reported in the PMR and therefore would not present Ofgem or BEIS with an accurate reflection of the challenges imposed on Parties.

This letter is intended notify Ofgem and BEIS that the OPSG members believe that reporting within the PMR on CH deliveries has not been reflective of the supply chain issues (see Appendix A for more details) and the impact to Parties, although this should be reflected from the June 2022 reporting period.

If you would like to discuss this matter in further detail, please do not hesitate to contact SECAS via 020 7090 7755 or SECAS@gemserv.com.

Yours sincerely,

SEC Operations Group

CC: DCC

DRAFT

Appendix A: Historical PMR scores

	CSP N	CSP C	CSP S	Supply Chain Impact ³
Jan-20	100.00%	100.00%	100.00%	
Feb-20	100.00%	100.00%	100.00%	
Mar-20	100.00%	100.00%	100.00%	
Apr-20	100.00%	100.00%	100.00%	
May-20	No Events	100.00%	100.00%	
Jun-20	100.00%	100.00%	No Events	
Jul-20	No Events	100.00%	No Events	
Aug-20	No Events	100.00%	100.00%	
Sep-20	No Events	100.00%	100.00%	
Oct-20	100.00%	100.00%	100.00%	
Nov-20	100.00%	100.00%	100.00%	
Dec-20	100.00%	100.00%	100.00%	
Jan-21	100.00%	100.00%	100.00%	
Feb-21	100.00%	100.00%	100.00%	
Mar-21	100.00%	100.00%	100.00%	
Apr-21	100.00%	100.00%	100.00%	
May-21	100.00%	51.01%	53.84%	CSP C & CSP S (approximately 151k CHs deferred to Sept/Oct)
Jun-21	100.00%	50.73%	38.31%	
Jul-21	100.00%	100.00%	100.00%	
Aug-21	No Events	100.00%	100.00%	
Sep-21	100.00%	100.00%	100.00%	CSP N
Oct-21	100.00%	100.00%	100.00%	CSP N
Nov-21	100.00%	100.00%	100.00%	
Dec-21	100.00%	100.00%	100.00%	
Jan-22	100.00%	100.00%	100.00%	CSP N, CSP C & CSP S
Feb-22	100.00%	100.00%	100.00%	CSP C & CSP S
Mar-22	100.00%	100.00%	100.00%	CSP C & CSP S
Apr-22	100.00%	100.00%	100.00%	CSP N, CSP C & CSP S
May-22	100.00%	88.91%	85.47%	CSP N, CSP C & CSP S

³ As per DCC's CH Supply Chain Working Group updates