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DP238 'TSAT Expired Communication Hubs'

Modification Report

Version 0.2

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Corporate member of
Plain English Campaign
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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.

Contents

1. Summary.....	3
2. Issue.....	3
3. Assessment of the proposal	4
Appendix 1: Progression timetable	4
Appendix 2: Glossary	7

Contact

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

Mohammedanwar Sumro

020 3934 4506

mohammedanwar.sumro@gemserv.com

1. Summary

This proposal has been raised by David Rollason from the Data Communications Company (DCC).

When the Smart Energy Code (SEC) was drafted, it was assumed that Communications Hubs on a specific version of the Communications Hub Technical Specifications (CHTS) would be installed before the relevant Installation End Date set out in SEC Schedule 11 'Technical Specification Applicability Tables' (TSAT). Communications Hubs on versions of CHTS that have passed their Installation End Date and remain in DCC User stock are charged for at a stock level charge. There is no benefit to SEC Parties holding these Communications Hubs in stock as they cannot be installed. To date, approximately 139,000 Communications Hubs on expired versions of CHTS have not been returned to the DCC. This is adding unnecessary pressure on the supply chain and requires a higher production of new Communications Hubs than needed.

2. Issue

What are the current arrangements?

Communications Hubs must be installed before the specified Installation End Date for that version of CHTS as specified in the TSAT. If a Communications Hub is not installed by the CHTS end date, it should be returned to the DCC to be refurbished for future use.

Communication stock level fees		
Service	Communication Hub Type	Charge
Refurbishment	Reusable Communications Hub	£8.27
Refurbishment	Single Band Communications Hub (non-reusable)	£30.87
Refurbishment	Dual Band Communications Hub (non-reusable)	£58.75
Non-Return	Single Band Communications Hub	£0.55 per month
Non-Return	Dual Band Communications Hub	£0.55 per month

There have previously been three instances where an extension of the Installation Validity Period (IVP) for Communications Hubs has been approved:

- [MP139 'MVP and IVP dates for CHTS'](#)
- [MP191 'Extending CHTS v1.0 & v1.1 IVP and MVP end dates'](#)
- [MP201 'CHTS v1.1 and GBCS v2.0 Applicability End Date'](#)

The current IVP for CHTS v1.0 Communications Hubs ended on 30 April 2023. This modification aims to supply a solution to be applied across any expired CHTS versions going forward.

What is the issue?

The current supply chain for the components required to build a Communications Hub is stretched. Being able to refurbish existing Communications Hubs whose installation dates have expired would reduce the reliance on new Communications Hubs being built. However, until a Communications Hub on an expired version of CHTS is returned it cannot be serviced and made available for future delivery and installation.

CHTS version 1.0 Communications Hubs should have been installed by 30 April 2023. Records provided by the DCC show that approximately 139,000 Communication Hubs have not been installed.

The DCC continues to bill Parties at the Communication stock level charge for these Devices. The IVP deadline date has been extended on multiple occasions. The IVP is intended to act as a motivator to Parties to install older version of stocks, however this does not appear to be working.

This issue is further exacerbated by the emergence of 4G Communication Hubs, which will make the existing 2G/3G stock outdated. As the focus shifts towards the deployment of 4G Communication Hubs, the demand for refurbishing and redeploying outdated 2G/3G inventory is rapidly declining. This is creating additional pressure on the already strained supply chain, making it more urgent for parties to return their expired Communication Hubs to the DCC for refurbishment and prevent further wastage of resources.

What is the impact this is having?

There is no benefit in holding a Communications Hub after the CHTS version IVP date has been reached since it cannot be installed. Communications Hubs that are available for return to the DCC, but are not returned, cannot be refurbished, and redistributed for future installation. This adds unnecessary pressure to the supply chain and requires a higher production of new Communications Hub than may be needed. This causes an environmental impact through the production, transportation and materials needed to make more Communications Hubs that may not be needed.

The pressure on the Supply Chain could cause Parties to be delayed in receiving Communications Hubs and therefore delay installation at consumer premises.

3. Assessment of the proposal

Areas for assessment

Is further incentive needed to install older stock?

The DCC has engaged with customers with larger volumes of impacted Communications Hubs prior to the CHTS IVP end date to encourage their installation. The Smart Energy Code Administrator and Secretariat (SECAS) notes there have been three previous extensions of Communications Hubs IVP dates and with an additional extension to come, the devices may become redundant due to the 2/3G Communication hubs are being passed out to be replaced by 4G Communication Hubs.

Who should take on liability for Communications Hubs?

A potential solution option is that once the IVP has been reached and a Communications Hub has not been installed or returned, the DCC will then report the device as lost or stolen and in turn the responsible supplier of the device will incur the appropriate charge.

Limitations of the current process?

Additional input will be sought from various sub-committees to assess any operational implications and challenges with the returns process. The current process is noted to be manual and resource intensive, and stakeholders have raised concerns about the potential challenges with handling the bulk return of 139,000 Communications Hubs.

This modification could facilitate the process by evaluating the volume of Communications Hubs returns and agreeing upon a returns schedule with the DCC to ensure that Communications Service Providers (CSPs) can effectively manage the volume. This would ease burden on CSPs and spread charges against Users.

Is a modification required?

The DCC have engaged with Suppliers with high volume of the impacted Communications Hubs prior to the IVP end date to encourage their installation. The Proposer believes a modification is required to as there is no obligation for Suppliers to send back Communications Hubs when the CHTS IVP has expired.

Could the current returns process be improved?

Some Communications Hubs have been sold between Parties, meaning that return a Communications Hub becomes more complicated as the exact device must be identified and passed back to the original Party to have a compliant return.

With the expiry of approximately 4.2 million Communication Hubs in 2024, the DCC is faced with the overwhelming challenge of dealing with them effectively. Given the impending release of 4th generation models, it's essential that the DCC improves their current returns process to enable re-deployment or receive returns efficiently.

Sub-Committee input

SECAS will engage 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	Assess and measure any operational implications
TABASC	No anticipated TABASC impacts.
SMKI PMA	No anticipated SMKI PMA impacts.

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Sub-Committee input	
SSC	No anticipated SSC impacts.

Observations on the issue

Views of the Change Sub-Committee

A Change Sub-Committee (CSC) member noted that the returns process is manual and very time-consuming. They noted that Users must send a Service Request for each individual Communications Hub to start the returns process. It was noted that some Suppliers can send a bulk returns order on a single SR. However, this is not the case for all SEC Parties.

An issue was raised where removed Devices are returned to logistics providers or Meter Asset Providers (MAPs) who do not know who was operating the Communications Hub. Therefore, the SRs cannot be sent as it must be the operating Supplier. The Proposer has advised that the DCC is raising a modification to look at this issue specifically and that this issue is for used stock as opposed to Communications Hubs stock awaiting install.

It was also noted that the DCC requires Suppliers must send the Device back in similar packaging to its original form and follow the returns process. It was stated that the returns process as currently stands is resource intensive.

SECAS received concerns from stakeholders regarding the potential challenges that CSPs may face in handling the bulk return of 139,000 Communications Hubs and whether the DCC Users may return their Communications Hubs in smaller batches to mitigate any significant charges.

The Proposer has noted that Parties should be installing on a 'first in, first out' basis to avoid large Communications Hubs returns for any remaining which are uninstalled.

4. Appendix 1: Progression timetable

Timetable	
Event/Action	Date
Draft Proposal raised	14 Mar 2023
Presented to CSC for initial comment	21 Mar 2023
Modification discussed with proposer	21 Mar 2023 – 16 Jun 2023
<i>Modification discussed with OPSG</i>	<i>17 Jul 2023</i>
<i>CSC converts Draft Proposal to Modification Proposal</i>	<i>18 Jul 2023</i>
<i>Modification discussed with Working Group</i>	<i>2 Aug 2023</i>
<i>Refinement Consultation</i>	<i>07 Aug 2023 – 21 Aug 2023</i>
<i>Modification discussed with Working Group</i>	<i>6 Sep 2023</i>
<i>Modification Report approved by CSC</i>	<i>19 Sep 2023</i>
<i>Modification Report Consultation</i>	<i>20 Sep 2023 – 02 Oct 2023</i>
<i>Change Board Vote</i>	<i>26 Oct 2023</i>

Italics denote planned events that could be subject to change.

5. 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
CHTS	Communication Hub Technical Specification
CSC	Change Sub Committee
CSP	Communication Service Provider
DCC	Data Communication Company
GBCS	Great Britain Companion Specification
IVP	Installation Validity Period
MAP	Meter Asset Provider
MVP	Maintenance Validity Period
OPSG	Operations Group
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SR	Service Request
SSC	Security Sub Committee
TABASC	Technical Architecture and Business Architecture Sub Committee
TSAT	Technical Specification Applicability Tables