

Good morning,

We write in response to the above consultation which was issued to the Industry for review on 1<sup>st</sup> July. Our comments relate specifically to Part A of the document, Consultation on SEC 4 Legal Drafting, section 3, Communications Hubs. For confirmation, our comments are not confidential.

**Background:**

IMServ is an independent Meter Operator and currently works for a number of (including small) electricity Suppliers installing electricity meters only(i.e. not gas).

**Questions/Responses:**

**Q1 - Do you agree with the requirement for the DCC to consult SEC Parties on future tranches of Communications Hubs procurement?**

Yes. It would make sense to do this to take into account the experience gained from the rollout of the initial tranche and any additional complexity from the introduction of more variants of Communications Hubs due to dual band HAN.

**Q2 - Do you agree with the proposed approach to allow SEC Parties (which will include MOPs) to forecast, order, take delivery and return uninstalled Communications Hubs?**

Yes. All of the meter installation work IMServ currently does for Suppliers involves the provision and installation of the meter and associated communications equipment. There is no reason for this approach to change with the rollout of Smart meters – Suppliers (especially the small ones) are likely to continue to want a complete package to supply and install a Smart meter, an In Home Display unit and a Comms Hub.

If the ordering, taking delivery of and return of uninstalled Communications Hubs had to go through Suppliers, then this is likely to introduce unnecessary complexity and inefficiency that could ultimately cause delays in the rollout Smart meters. It makes sense for the parties who will be installing the Communications Hubs to be responsible for ordering, taking delivery of and returning them. Please see the reply to question 4 regarding the forecasting of Communications Hubs.

**Q3 – Do you agree with the proposed approach and legal drafting in relation to the development of the Communications Hub Support Materials?**

Yes.

**Q4 - Do you agree with the proposed approach and legal drafting in relation to forecasting of Communications Hubs?**

Only Suppliers know where and when they are going to install Smart Meters and therefore Communications Hubs. Most Suppliers contract with a number of Meter Operators and therefore have a choice of who to give their meter installation work to. As an independent Meter Operator, IMServ does not currently receive much notice (approx. 4-8 weeks) of a requirement to install meters. IMServ is currently able to manage this because the lead times on the supply of meters (and modems) from our preferred manufacturers is about 8-12 weeks.

Therefore it is difficult to envisage how IMServ would be able to make this work if we were still given the same notice to install meters (4 – 8 weeks) and were required to forecast the volumes of Communications Hubs at 10 month, 7 months and then place a firm order at 5 months prior to delivery.

Whilst IMServ recognises the need to forecast in order that the DCC and DSPs can procure Communications Hubs efficiently, some modification to the existing process would need to be made for it to work for independent meter operators.

In IMServ's opinion, Suppliers are best placed to forecast the numbers of Communications Hubs that they will require. One solution to this issue would be for Suppliers to be able to 'transfer' some of their forecast volume to a meter operator once they have been appointed them. Another approach might be allow SEC Parties to place orders for small volumes of Communications Hubs at shorter notice.

**Q5 - Do you agree that forecasts that are submitted from the tenth month before a delivery month should include the numbers of Device Models to be delivered in that month in each region, and these should be subject to the specified tolerance thresholds outlined below.**

Yes, but given the Midlands and South DSP regions use the same variants of Communications Hubs, would it make sense to split this into 2 (North and Midlands/South) rather than 3 (North, Midlands and South).

**Q6 - Do you agree with the proposed approach and legal drafting in relation to ordering of Communications Hubs?**

Yes.

**Q7 - Do you agree with the proposed approach and legal drafting in relation to delivery and handover of Communications Hubs?**

Clarification is required as to whether the 5 days that SEC Parties have to reject a delivery of Communications Hubs is working days or calendar days. If it is calendar days then a longer period (say 7 days) would be required to take into account deliveries around Easter and Christmas, otherwise 5 working days appears reasonable.

Whilst it's hoped that it never happens, there does not appear to be any information on what would happen if the DCC fails to deliver Communications Hubs on (or within a tolerance of) the specified date. Failure to deliver Communications Hubs in the right timescales could have a huge impact on SEC Parties. And related to the same issue, there does not appear to be any timescales for the DCC to replace any Communications Hubs that are rejected within 5 days of delivery.

**Q8 - Do you agree with the proposed approach and legal drafting in relation to installation and maintenance of Communications Hubs?**

Yes.

**Q9 - Do you agree with the proposed approach and legal drafting in relation to removal and returns of Communications Hubs?**

Yes.

**Q10 - Do you agree that there should be an obligation for the first installing supplier in a dual fuel premises to take all reasonable steps to install a communications Hubs that would work with both the smart meter that it is installing and the smart meter of the other fuel type?**

Yes, but "all reasonable steps" would need to be defined.

**Q11 - Do you agree with the Governments proposals in relation to the processes to determine the reasons for early return of Communications Hubs?**

Yes.

**Q12 - Do you agree with the proposed approach and legal drafting in relation to the transitional requirements for Communications Hubs forecasts and orders?**

Yes.

**Q13 - Do you agree with our proposed changes to the DCC licence to require the DCC to offer services to non-SEC Parties where required to do so under the SEC?**

No comment.

**Q14 - Do you agree with the proposed approach and legal drafting in relation to the provision of Communications Hubs for testing?**

Yes.

Regards