

Conclusions to Out- of-Region Communications Hub Installations

Closure of Temporary 2G/3G
North Connection
Arrangements

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1. Executive Summary

1. The Data Communications Company is Britain's digital energy spine, supporting the transformation of the energy system. Smart meters are connected to the DCC network through the Wide Area Network (WAN), which utilises different technology types in different geographic areas within Great Britain.
2. Out of Region (OOR) Communications Hubs (CHs) are Devices which are installed in contradiction to SEC obligations. Following the approval of SEC MP308 and with support from the wider industry, DCC entered into a temporary contractual agreement with Communications Service Provider (CSP) Central and South (C&S). This agreement enabled DCC to retain a WAN connection to OOR CHs in the North Region at a cost to those responsible Supplier Parties that operate OOR CHs. At the time around forty-six thousand OOR CHs were commissioned in the North Region that would otherwise have lost smart connection on the 1st January 2026, with possible consumer detriment.
3. It is estimated that when the temporary CSP contractual arrangement ceases on the 31st May 2026 around thirty thousand OOR CHs will remain connected to the WAN in the North Region. These CHs will have their WAN connection removed from 1st June 2026 as defined within the SEC¹ and related SEC Party charging for this service will also cease.
4. In April 2026 we consulted,² specifically seeking views from Supplier Parties who are best placed to understand impacts to consumers. We asked for views on whether the temporary WAN arrangements in the North Region should end or to confirm if extensions are required beyond 31st May 2026.
5. Alternatively, we also noted that, any SEC Party has the option to raise a SEC Modification at any time that proposes an extension to the temporary arrangements.
6. DCC thanks Supplier Parties for providing a clear view on this matter. We received eight Supplier Party responses, all of which confirmed that an extension is not required and therefore **the temporary WAN arrangements in the North Region will cease on the 31st May 2026** as defined within the SEC. Additionally, a response was received from Citizens Advice that we have published alongside this conclusion for availability.

¹ SEC F7.24 as implemented by SEC MP308.

² <https://www.smartdcc.co.uk/consultations/out-of-region-communications-hub-installations-closure-of-temporary-2g3g-north-connection-arrangements/>

2. Introduction

2.1. Background

7. The Data Communications Company (DCC) is Britain's digital energy spine, supporting the transformation of the energy system. DCC is licensed by the Government and regulated by the energy regulator Ofgem to connect smart meters in homes and small businesses across Great Britain to a single secure, digital network. DCC supports the roll-out and operation of second-generation (SMETS2) smart meters, as well as the operation of existing first-generation (SMETS1) meters on our network.
8. SMETS2 Meters connect to the DCC network through the WAN which is provided by multiple CSPs utilising different communication technologies across specific geographical Regions. Different technology solutions were chosen because they better meet the needs of different geographical areas. Each CSP therefore has a contractually defined geographical Region for service provision that their communication solution covers. The CSPs also provide Communications Hubs (CHs) which connect to their communication solution within those defined Regions. The Regions covered by 2G/3G mobile technology (the Central and South Region) and long-range radio technology (the North Region) do not overlap.
9. Through 2024 / 2025, there were increasing number of installations where the CH installed was not in the correct Region as identified in the Coverage Checker. Such CHs are known as OOR CHs and where that CH utilises the infrastructure of the CSP in a geographical area for which they were not contracted to provide WAN connection.
10. In early 2025 the CSP for the Central and South (C&S) Region requested that DCC, due to the increased volume of OOR CH installations, enter into a commercial agreement to support the continued connection of all 2G/3G OOR CHs in the North Region or alternatively have those CHs disconnected from the WAN.
11. As a result of this request, in June 2025 DCC consulted¹ with SEC Parties, outlining the issue of OOR CHs and seeking views on two resolution options, which were (a) to formalise terms with the Service Provider for continued service; or (b) replace the CHs with the correct WAN Variant in the North Region. This concluded² in August 2025 without a mandate for DCC to enter into commercial arrangements with the CSP and the consequence that any remaining OOR CH in the North Region would have their WAN connection removed from 1st January 2026.
12. Throughout 2025 DCC engaged with parties on their OOR CHs, provided monthly reporting on the issue and held regular bilateral engagements with Parties, where it was requested that they discontinue 2G/3G mobile communications technology CH installations in the North Region. The increasing number of OOR CHs was also discussed at SEC Panel and SEC Operations Group Sub-Committee.
13. In November 2025 there remained a large volume of OOR CHs installed in the North Region. Following concerns raised by the Department for Energy Security and Net Zero (DESNZ) around potential consumer detriment, the DCC proposed urgent SEC MP308³ and MP311⁴ to ensure that consumers continue to receive smart services and that prepayment and vulnerable consumers were not put at risk during the winter period. This implemented a temporary provision of service that ceases on the 31st May 2026, as defined within the SEC.

¹ <https://www.smartdcc.co.uk/consultations/out-of-region-communications-hub-installations/>

² <https://www.smartdcc.co.uk/consultations/conclusion-to-dcc-consultation-on-out-of-region-communications-hubs/>

³ [Out of Region Communications Hubs - Smart Energy Code](#)

⁴ [Additional Out of Region Communications Hubs Amendments - Smart Energy Code](#)

2.2. Closing temporary OOR CH service in the North Region

14. Since the implementation of SEC MP308 and MP311 Parties have taken steps to replace OOR CHs with compliant CH Variants. At the start of April 2026 there remained around thirty-four thousand OOR CHs connected to the WAN in the North Region. On recent removal rates we predict that approximately thirty thousand OOR CHs will remain in the North Region at the end of May 2026. These CHs are scheduled to have their WAN connection removed from 1st June 2026 and consumers will lose their smart services.
15. For clarity there are no plans to remove the WAN connection to OOR CHs in the Central and South Region.
16. Our consultation sought feedback from SEC Parties, but primarily from Supplier Parties who are both paying for the temporary service and can best advise on consumer impacts.

2.3. Decision

17. DCC has received unanimous instruction from Supplier Parties that an extension to the temporary WAN arrangements in the North Region is not required. Therefore, this service will cease on the 31st May 2026 as defined within the SEC.

3. Consultation Questions & Responses

3.1. Questions

18. DCC asked four questions within the consultation, asking for views on extensions to the temporary WAN arrangements in the North Region. The consultation presented the questions as set out in Table 1.

Q1	A: Should the temporary OOR arrangement be extended post the 31st May 2026? (Y/N) B: Please give a rationale for your response.
Q2	A: How long should an extension be in place for (1, 2 or 3 Months)? B: Please give a rationale for your response.
Q3	A: Do you agree that should an extension be approved that it should be the final extension, and that DCC should not engage further on future extensions? (Y/N) B: Please give a rationale for your response.
Q4	Do you have any other comments?

Table 1 – Consultation questions

3.2. Responses

19. DCC received eight responses to the consultation from a Supplier Parties. Additionally, we have received a response from Citizens Advice that provides recommendations to Supplier Parties when dealing with OOR CH impacted consumers, which we have attached as an appendix to this conclusion document.

3.3. Question 1

20. DCC sought views on whether the temporary arrangements should be extended, asking “**Should the temporary OOR arrangement be extended post the 31st May 2026?**”.

Respondent Views

21. All eight respondents answered that they did not consider that an extension to the OOR CH arrangements should be implemented.
22. All the respondents noted consumer engagement as a key challenge in their rationale for considering an extension unsuitable. They highlighted the actions they had taken to engage with consumers in attempts to arrange a CH exchange and their consideration that additional time before disconnection is likely to have limited impact on the volume of CH exchanges, where consumers are expected to continue to be disengaged.
23. Of these, five respondents sighted the cost of the OOR CH WAN connection in their rationale, noting that they consider the costs to be high for the volume of OOR CH that remain, particularly where the uptake of CH exchanges remains low.

3.4. Question 2

24. DCC sought views on the length of an extension asking “**How long should an extension be in place for (1, 2 or 3 Months)?**”.

Respondent Views

25. None of the eight respondents supported any extension to the OOR CH service and therefore this question was not applicable for them. One respondent, while highlighting the position that an extension should not be implemented, considered that if an extension was majority supported that it should be only for one additional month.
26. One respondent highlighted their engagement activity and appointments for CH exchanges prior to the cut-off date where consumers had engaged with them. Another reiterated their position that they do not support an extension to the OOR CH service.

3.5. Question 3

27. DCC sought views on whether future extensions should be consulted upon, asking “**Do you agree that should an extension be approved that it should be the final extension, and that DCC should not engage further on future extensions?**”.

Respondent Views

28. Six respondents considered that if an extension was supported on this occasion that DCC should not engage on any further extensions. One Party responded to note that they did not consider that a further extension should be approved at this stage, and one respondent did not answer this question.
29. Two respondents noted that any extensions to the OOR CH service could result in WAN disconnection for consumers during the winter months with the associated risks.
30. Two respondents considered that any change in the end date of the OOR CH WAN service could convey to consumers that there is no definitive end date and may negatively impact their engagement and agreement to a CH exchange.
31. Two respondents highlight the additional cost to continue to provide OOR CH WAN connection as having diminishing returns and is a barrier to any extension.
32. One respondent considered that an extension would only serve to facilitate those parties that have not taken steps to exchange OOR CH and noted the viable solutions for CH exchange being 4G CH and the VWAN solution.

3.6. Question 4

33. DCC sought views on any additional comments from Parties.

Respondent Views

34. Two respondents noted that Parties who would like to retain an OOR CH WAN connection service have the option to request an Elective Communication Service (ECS) from the DCC, where those ECS suppliers would fund the service.
35. One respondent highlighted the low levels of consumer engagement related to CH exchange and considered that remaining consumers may only engage once their WAN connection is removed.
36. One respondent noted that consumer engagement may be adversely affected by changing the dates that Supplier Parties have previously communicated as this is likely to lower confidence in any future messaging.

37. One respondent commented that the costs for continued WAN connection to OOR CH is considered high compared to other WAN arrangements and noted that the outcome of the June 2025 OOR CH consultation conclusion was to not formalise a WAN connection to OOR CH in the North Region due to the associated costs.
38. One respondent noted that they welcomed support from DCC to ensure consumers can have a successful CH exchange, including support in providing options for those consumers where poor Long-Range connections and a lack of 4G WAN coverage do not allow for a smart metering connection to be maintained.

4. DCC Considerations and Next Steps

39. DCC are thankful for the responses received that have provided for a clear and unambiguous outcome to this consultation. As a result, we do not intend to seek any extension to the OOR CH service beyond that defined within the SEC. It is therefore confirmed that any remaining OOR CH in the North Region will have their WAN connection removed from 1st June 2026. Any future OOR CH installed in the North Region will also have their WAN connection removed.
40. On CH exchanges DCC has provided information to Parties to identify the OOR CH for which they are responsible. Parties should follow SEC requirements where they encounter any issues at installation, where DCC will support resolution of those issues. We note that the availability of 4G CH and the VWAN project will support in exchanging OOR CH.
41. We recognise that costs for continued WAN connection to OOR CH is considered high compared to other WAN arrangements. We have worked to secure the lowest cost option available from our Service Provider.
42. As the smart metering communications provider, it is important for DCC to engage with users of the service where they are best placed to provide direction. DCC has engaged with Parties, including seeking an end to OOR CH installations and to confirm the views of our customers on how to manage WAN connection removal. We have made no assumptions that our customers will either support or reject the options that we presented as part of our consultation, our intention has been to provide information and to be led by needs of service users.
43. We consider that our customers are best placed to inform on the decisions that will impact their processes and the service provided they provide to consumers.

5. Attachments

Attachment 1: Citizens Advice response to DCC Out-of-Region Communications Hub Installations - Closure of Temporary 2G/3G North Connection Arrangements