

Communications Hub Consultation

Consultation on proposed
changes to the Temporary
Communications Hub
Ordering & Delivery Rules

Version: 1.0

Date: 22.05.2020

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Classification: DCC Public

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1. Background

The current UK Government social distancing guidance issued to help reduce the spread of the coronavirus (COVID-19) means only essential Communications Hub installations are taking place. There is currently no definitive end date to this guidance.

The manufacturers of Communications Hubs are not UK-based and therefore are not subject to the same social distancing guidance. They are continuing to manufacture Communications Hubs and the DCC's Service Providers are contractually obliged to receive them. Under the SEC, Suppliers are obliged to receive the deliveries they ordered.

This has resulted in large numbers of Communications Hubs being held by Suppliers. Scheduled deliveries that are required under the SEC continue which means Suppliers now face the challenge of reduced warehouse capacity and the need to minimise the unnecessary movement of Communications Hub stock.

DCC have worked with industry to reduce the negative impact of UK Government social distancing rules as much as possible. This has resulted in an urgent SEC modification proposal and the development of the Temporary Communications Hub Ordering and Delivery Rules. SECAS completed a consultation of these proposals under SECMP130 resulting in minor amendments to the rules document. This consultation presents proposed changes to the Temporary Communications Hub Ordering and Delivery Rules and details plans for a further consultation on the rules for CSPC&S.

We have provided the proposed changes to the Temporary Communications Hub Ordering and Delivery Rules in a tracked changes version available with this consultation.

Note – this is an emergency consultation with a 24-hour consultation period. This consultation closes at 1600 Tuesday 26 May.

2. Clarification to Central and South Region calculations

The original rules document (version 0.7) contained an error for the calculation of SEC Party's Minimum Communications Hub Order for each Mid-Term Delivery Month based on Communications Hub Forecasts for the Central and South Region (section 3.3). This originally showed the calculation would be valid from September 2020 to December 2021, this should have been valid to December 2020. The document has been amended accordingly.

The original rules document (version 0.7) contained the calculation of SEC Party's Minimum Communications Hub Order for each Mid-Term Delivery Month based on Total Market Share (section 3.3). This originally showed the calculation would use market share data from 15 April 2020. Feedback from the SECAS Consultation suggested that this data would become more out of date and less relevant with each passing month. We will therefore amend this and use market share data for the month preceding the Delivery Month. The document has been amended accordingly.

Question 1

Do you agree to the amendments to the Central and South Region Mid-Term calculations? If not, please provide a rationale for your response.

3. Commitment for future consultation on the Central and South Region Market Share calculation.

SECAS and DCC received comments and feedback which highlighted that the Central and South Region Market Share calculation could potentially disadvantage Large Suppliers with greater market share, where Small Supplier market share would result in them receiving zero Communications Hubs for the full period January 2021 to December 2021. This would see the total minimum number of Communication Hubs delivered to Large Suppliers therefore, Small Suppliers would be provided with a substantially greater advantage.

Given the time available to implement the Short-Term solution, and the complexities involved in developing another robust calculation and associated rules it is not possible at this time to implement the Temporary Communication Hub Ordering and Delivery Rules with an alternative calculation.

DCC recognise larger supplier concerns and will commit to engaging with industry to develop and consult on an alternative solution which could work more fairly for the Supplier community. DCC commits to beginning this work, engagement and consultation process, at the earliest opportunity.

Question 2

Do you agree the implementation of the Temporary Communication Hub Ordering and Delivery Rules without amendment to this Market Share calculation, so long as DCC commit to completing industry engagement and consultation on future changes? If not, please provide a rational for your response.

4. Next Steps

DCC will review and collate consultation responses and present these to the SEC Panel scheduled for Wednesday 27th May for consideration.

5. How to respond

Please provide responses by 16:00 on 26 May 2020 to DCC at:
consultations@smartdcc.co.uk

DCC will complete a summary of questions, comments and responses to be shared with SEC Panel.

Consultation responses may be published on our website www.smartdcc.co.uk. Please state clearly in writing whether you want all or any part, of your consultation response to be treated as confidential. It would be helpful if you could explain to us why you regard the information you have provided as confidential. Please note that responses in their entirety (including any text marked confidential) may be made available to the Department of Business, Energy and Industrial Strategy (BEIS) and the Gas and Electricity Markets Authority (the Authority). Information provided to BEIS or the Authority, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004). If BEIS or the Authority receive a request for disclosure of the information we/they will take full account of your explanation (to the extent provided to them), but we/they cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.