Peter Davies, SEC Panel Chair
Smart Energy Code Company Limited
8 Fenchurch Place
London, EC3M 4AJ

Ofgem via email
smartmetering@ofgem.gov.uk

22 December 2021

DCC Price Control consultation: Regulatory Year 2020/21

Dear Ayena,

The SEC Panel welcomes this opportunity to respond to the latest consultation on the DCC Price Control for the Regulatory Year (RY) 2020-2021. We have set out our response to the consultation questions below. We would be happy to engage further, to assist with any clarifications.

Before you review the detailed responses to the questions below, I would like to offer some thoughts on the process, which may be useful for the future:

(a) Much of the difficulty and effort involved in reviewing DCC spend could be avoided by adding an ex-ante element to the current approach. Having the DCC agree projects and costs upfront with Users would provide greater clarity of spend and ensure Users, who fund the DCC projects, are comfortable with such spend. This would allow the ex-post review to focus on outcomes, as we consider is appropriate. We strongly believe such an approach would be beneficial to all.

(b) Given the ex-post nature of the current process, we are somewhat surprised that there was not more consideration of service outcomes, in the sense of service quality delivered. We have sought to provide evidence of this in this response for Ofgem's consideration.

(c) In the current circumstances where DCC are concurrently conducting "routine" operational business, supporting an increase in volumes and scope, and executing major programmes, it would be useful to be able to more explicitly assess how efficiently the routine business is being executed. Possibly a "Cost Per Comms Hub Served" indicator focused on that routine element would assist in separating volume effects from efficiency effects.

(d) There is a clear divergence of views on the success of DCC's customer engagement, and understanding the reasons for this divergence and resolving them is important

(e) The Panel highlights the need for a clear set of principles to direct how costs of any elements of the DCC infrastructure shared between SEC and non-SEC uses are identified, allocated, and managed.

(f) SEC Parties have on a number of occasions raised the question of where the costs of remediating service failures should be borne (that is, by Users or DCC). It is important that the principles determining this should be transparently set out.

DRAFT

(g) We recognise the challenges in developing and applying a process to determine whether expenditure has been "economically and efficiently incurred", but would comment that prior User endorsement of spend would be a valuable building block of such a process

The Panel would offer any support required to help deliver a regime addressing the above points.

Overall, it is once again extremely concerning to see that external Fundamental Service Provider (FSP) costs have risen year on year. Equally concerning is the magnitude of such increases versus the prior forecast. It is important that DCC Users have confidence in the DCC to manage its FSP to ensure cost increases are kept to an absolute minimum. The economic and efficient tests applied by Ofgem must be seen to be applied robustly, and the rationale for acceptance of cost increases clearly explained.

Whilst we are pleased to see the level of scrutiny applied to DCC internal costs, we do not have the same level of comfort that this is also applied to external costs. A 72% increase over the licence term in FSP costs is a major increase for SEC Parties.

We have once again, provided operational views from the Panel Sub Committees which report on the quality of service, customer engagement, and perceived contract management experienced. during the period. This is provided as a view of the experience of DCC Users during the Regulatory Year (RY) 20/21.

It should be noted that, that whilst it is necessary for us to report on shortfalls, in some areas DCC delivered good service. A particular example to be highlighted was the DCC response to the Pandemic where DCC's work was exemplary.

In other areas, outcomes fell short of the service quality DCC Users rightly expect. As an example, service in CSPN in the RY was poor, in terms of service quality. Further, customer engagement was compromised by a failure to accurately report performance: this error persisted for some time and cast doubt on the rigorousness of DCC's contract management processes. This reporting failure was formally communicated to Ofgem by the Panel on 7 August 2020 with the CSPN rectification plan declared by DCC to the OPSG failing to deliver[1].

DCC Users experienced a higher number of Major Incidents in the RY compared to 19/20: it is recognised that the scope of the DCC increased during the year, but a reasonable expectation would be for DCC's increased service experience to lead to fewer such incidents.

The measures reported under the SEC PMR are informative. Disappointingly, Code Performance Measure (CPM1) , which summarises key aspects of Service Request performance, was below the SEC Target Service level for 10 months of the year, and the Minimum Service Level was only achieved in 2 months. It is recognised that CPM1 is an aggregate measure, and that many of the contributing metrics were above target for the year: nonetheless, the aggregate performance is a SEC requirement which was not met 26 SEC Modification Impact Assessments were completed for SEC modifications only 6 were completed in line with the Service Level set out in the SEC.

The DCC explanation of the increase in FSP costs (most notably Data Service Provider (DSP) charges) is driven from SEC modifications and SEC Releases. These changes, and related costs, had already been assessed as part of the SEC Modification process. It is therefore unclear why these are highlighted as additional costs for this regulatory year or why DCC refer to these as newly justified Change Requests. The DCC had provided costs to Panel for implementing the June 2020, November 2020 and February 21 Releases totalling, c.£6m, this does not account for the all the costs attributed to changes as set out on p.32 of the consultation.

[1] A third version of the CSPN rectification plan is now being implemented.

The increased level of DCC resource in RY2020/2021 does not appear to be substantiated. An increase of circa £24m over previous year's budget suggests the original forecast was wrong, but it remains unclear why these additional resources are needed. The lack of forecast post 2021/2022 is equally worrying. Greater clarity over the increase in personnel is required, especially noting the size of other service management organisations within the industry.

We agree with Ofgem's proposal to disallow costs for Distribution Network Operator (DNO) Transformation and Great Britain Compliance Specification (GBCS) compliance. More generally it is not clear to us how the activities listed under Baseline Margin could not have been foreseen by the DCC, and how they meet the criteria of *"material changes to mandatory business".* For example, the DCC should provide further explanation for the area of Network Evolution and Data Service Provider (DSP) / Trusted Service Provider (TSP) re-procurement.

Given the experience of DCC external Service Provider costs to date, we note that Faster Switching programme costs increased for a second year. We urge Ofgem to ensure that robust checks are in place.

If you would like to discuss this further, please do not hesitate to contact me on 020 7090 7755 or SECAS@gemserv.com

Yours faithfully,

Peter Davies
SEC Panel Chair

DRAFT

1. External Costs

Question 1. What are your views on our proposal to accept DCC's External Costs incurred in RY20/21 as economic and efficient?

Question 2. What are your views on our proposal to disallow the variance in enduring forecast costs for S1SP_3b and a proportion of the UIT forecast costs for DSP?

We are extremely concerned that external costs have increased again. A £72m increase in cost compared to Regulatory Year 19/20 is very significant. We do not agree with the Ofgem view that the cost increases pass economic and efficient tests without further justification. Given the DCC primary role is that of service / contract management, we question what further evidence Ofgem has requested of DCC and what lessons are being learned and applied by Ofgem and the DCC to avoid these year-on-year increases.

There were a number of areas in which it was not apparent that DCC management of the FSP was effective: service failures are taken as evidence of this. Equally, there are issues identified by SEC Parties that have existed over multiple Regulatory Years and we believe the DCC could be doing more as a contract manager of the FSP's to move these problem areas forward faster.

The DCC has stated that a significant proportion of the increase in external costs is driven from changes delivered in SEC Releases and other SEC modifications; these external costs had been assessed via the SEC Modification process prior to implementation. It is therefore unclear why these are highlighted as additional costs for Regulatory Year (RY) 20/21 or why they had not been properly included in previous years forecasts. The Panel has received DCC costs for implementing the June 20, November 20 and February 21 Releases totalling c.£6m, which is in line with the costs quoted for the Modifications and Releases, but does not account for the additional costs stated on p.32 of the consultation document.

With such a large increase over the licence term, we are disappointed that Ofgem appears to be applying greater emphasis on DCC internal costs through this consultation. We propose consideration be given to reviewing potential DCC cost increases upfront. The SEC Panel would be pleased to assist, by potentially acting as a sounding board with advice from Panel members provided to DCC prior to incurring costs.

Equally, with such a large increase, the balance of risk on DCC and Industry needs review. Industry should not pay for DCC programme management overruns, nor be liable for penalties for DCC late payment of its Service Providers.

More generally, SEC Parties have on a number of occasions raised the question of where the costs of remediating service failures should be borne (that is, by Users or DCC). It is important that the principles determining this should be transparently set out.

We welcome that Ofgem has called out the use of Urgent Work Order and Working Capital Charges as an area of greater scrutiny for the next Price Control review.

Greater clarity is required on the justification of increased forecast costs. As a minimum, we note Ofgem ruled out SMETS1 Service Provider forecasts costs because "a contract expiry should provide DCC with the opportunity to renegotiate these costs and provide a more accurate forecast". On this basis, it is unclear why DSP forecasts are allowed when re-procurement / contract extensions are underway.

This increase in external costs comes at a time when the quality of services provided during the Regulatory Year (R/Y) 2020 / 2021 are still not at the level expected by industry (Pandemic accepted). A summary of the service quality findings of the Sub Committees are given below (in this list Service Quality encapsulates delivered service, customer engagement, and contract management: Appendix A provides separate commentary on each of these elements, and also includes other topics not mentioned below):

:

- **Service Quality - CSPN Services**

  During the period prior to and throughout RY20/21 Users received an inferior service in the CSPN region. As identified in RY 19/20, the CSP North was subject to remediation plans to improve the performance and to meet SEC Code Performance Measures. The DCC identified a reporting issue in July 2020: this had impacted the accuracy of the Code Performance Measure reporting throughout 2019 and 2020. Once corrected the reporting revealed an even lower level of performance than previously identified. Consequently, this reporting failure detracted from the success of customer engagement and raised doubts about the rigorousness of DCC's contract management processes[2].

  However, a positive action on customer engagement was the establishment of the Common Issues Forum, which it is hoped worked effectively. Initially, the communication from this confidential forum to the wider SEC Party community was limited and could have been better.

- **Service Quality - Service Stability and Major Incident Volumes**

  Major Incidents (Category 1 or 2, indicating a material impact on Services / Users) were, disappointingly, higher than in the previous regulatory year. Overall 51 Major Incidents occurred, resulting in lost time to DCC Users of 197 Hours and 54 Minutes.[3] Whilst the scope of the DCC service infrastructure increased in the year, a reasonable expectation would be for DCC's increased operational experience to lead to a progressive reduction in major incidents.

  The frequency of failures by the Fundamental Service Providers (FSP) raises questions whether, in some instances, the DCC's management of the FSP was sufficiently proactive or effective. Several instances were observed where the FSP failed to, or was very slow in, notifying the DCC's Major Incident Management team of a Service Issue that had a knock on impact in timeliness of Major Incident Communications. However, the DCC have taken several actions to introduce improvements on engagement between the DCC and FSPs.

  It is encouraging that there were 3 months when no Major Incidents were declared, but there is still some way to go to maintain this level of service quality consistently.

- **Service Quality – Incident Management**

  Generally, DCC's management of incidents improved during the year, although some problems with User communications and categorisation were encountered. The DCC showed a willingness to understand and act on User requests made at the OPSG. In

[2] This reporting failure was formally communicated to Ofgem by the Panel on 7 August 2020 with the CSPN rectification plan declared by DCC to the OPSG failing to deliver[2].

[3] This is the recorded length of the incidents. Generally, the disruption to Users (for example in executing installation and commissioning) is longer than the recorded outage

particular, the DCC's decision to treat Category 2 incidents with the same urgency as Category 1 was welcomed by the OPSG. Several instances were observed where the FSP failed to, or was very slow in, notifying the DCC's Major Incident Management team of a Service Issue that had a knock-on impact in the timeliness of Major Incident communications. However, the DCC have taken several actions to introduce improvements on engagement between the DCC and FSPs.

- **Service Quality - Dual Control Organisation (DCO)**

  The DCO service exhibited frequent and serious problems soon after go live. This calls into question whether the business requirements and readiness of this service. for live operation, were appropriately assessed by DCC. The issues were remediated by a comprehensive Service Stability plan, managed and enforced by the DCC. DCC provided excellent transparency to the OPSG of the remediation plans and progress. This remediation work was an example of good customer engagement and contract management.

- **Service Quality - Code Performance Measures**

  Whilst the great majority of underlying metrics showed performance in accordance with SEC Service Levels, it was disappointing that the summary Code Performance Measure for core DCC services (Code Performance Measure 1) was below the minimum requirement for most of the year. This was primarily impacted by the poor performance in CSPN, which failed to achieve Minimum Service Level throughout the reporting period for Firmware Payloads completed within the Target Response Time (TRT).

- **Service Quality – Modifications**

  The time required to execute the mods process continues to cause concern, with the SEC requirement frequently not being met. In a number of cases, the execution of the Mods process appears to have not fully delivered SEC Party aspirations.

  During the RY20/21 period SECAS requested 26 Preliminary Impact Assessments and Final Impact Assessments from DCC, of which only 6 were returned in the timescales set out in the SEC. In addition, concerns were raised during the RY over DCC presentation of estimated release costs. For example, Systems Integration Testing not included and a lack of estimating of sharing testing costs across modifications and releases.

  The costs of implementing Modifications continues to be a concern where changes are required to meet an existing SEC requirement. For example, Modification Proposal MP096 'DNO Power Outage Alerts' saw significant progress and joint testing between DNOs and the DCC, to baseline performance and assess changes required to support the current SEC requirement, or lower the requirement to match current or achievable performance. Options were presented, however the quoted costs for the solution were staggering and left Network Operators in a difficult position, as the primary beneficiary of these changes, to justify these costs to industry. There is serious concern that Industry is consuming cost and effort for DCC's non-compliance to meet SEC requirements.

- **Service Quality – DCC Change Management**

  Beneficial actions were taken by the DCC for managing and controlling maintenance, and instituting more transparent and granular reporting on Change Management and Service Outages.

DRAFT

The DCC developed and implemented an improved approach for categorising and scheduling low and high priority maintenance activities. DCC also developed proposals and a trialling approach for managing change during adverse weather. However, there has been an increase in maintenance outages required. It has now become apparent that the planning and initial communication of the DSP Technical Refresh, which might reasonably have been expected to at least start in the RY was not initiated.

- **Service Quality – Communication Hub Logistics**

  The DCC and the Communication Service Providers (CSP) provided substantial support to Energy Suppliers on managing the forecasting, ordering and delivery of Communications Hubs throughout the Pandemic. However, challenges continue with DCC Customers ability to return Communication Hubs (CH) in bulk. Modification Proposal MP117 was raised by DCC to address these concerns. The DCC has since withdrawn MP117, due to concerns over high costs. It is not clear that the DCC have fully appreciated the need for a bulk returns process for DCC Users.

- **Service Quality – CH Exceptions**

  The management of Communication Hub (CH) Exceptions declared by CSPs has been an issue for DCC Users since 2018, with little progress in the interim. Whilst there is an acknowledgement that there is an expected level of allowed Exceptions, in the RY the DCC did not have in place an appropriate contract management process to challenge and validate CSP declarations.

  Further, the volumes of Exceptions declared may indicate failures in process or transfer of data and therefore require urgent investigation. The lack of progress from the DCC on providing a clear process and reporting regarding CH exceptions is disappointing.

- **Service Quality – Superfluous Alerts**

  The DCC identified significant problems arising from superfluous alerts and has proactively and effectively managed mitigations and remediations across a range of stakeholders. This was an area of good work and achievement by DCC in the RY, including good customer engagement and stakeholder management: It should also be noted that this positive outcome was also a result of considerable effort and resource on the part of SEC Parties.

DRAFT

2. Internal Costs

Question 3. What are your views on our proposals on DCC's approach to benchmarking of staff remuneration for both contractor and permanent staff?

Question 4. What are your views on our proposal to disallow the Shared Service Charge associated with external services procured for Additional Baseline activities such as NEP and ECOS?

Question 5. What are your views on our proposal to disallow non-resource recruitment costs in the Commercial and Operations cost centres?

Question 6. Do you have any views on potential proxy measures to calculate cost disallowances in areas where DCC may not have acted economically and efficiently, but the dependencies and scale of the impact are not clear?

Question 7. When it is determined that DCC may not have acted in an economic or efficient manner but an appropriate methodology cannot be applied to calculate the proportion of costs impacted, we propose to take these instances into account when deciding DCC's score under the Contract Management and Customer Engagement aspects of the OPR. What are your views on this proposed approach to be adopted from RY2021/22 Price Control, if an alternative measure is not determined?

Question 8. What are your views on our proposal to disallow forecast variances in Network Evolution, SMETS1, and ECoS programmes?

Question 9. What are your views on our proposal to disallow the costs associated with DCC's activity relating to EVs? Please provide any evidence if you have engaged with DCC in this area.

Question 10 What are your views on our proposals to disallow forecast cost variances in the Corporate Management, Commercial, Finance, Operations, and Programme (Service Delivery) Cost Centres in RY21/22 and RY22/23, and all baseline forecast costs for RY23/24 onwards?

We are pleased to see the level of scrutiny applied to DCC Internal Costs but reiterate the same scrutiny should be applied to External Costs.

The increased levels of resource in RY20/21 are not, in the Panels view, fully explained and justified. An increase of circa £24m over the previous year's budget raises questions about the accuracy of the forecast and the driver for this additional resource. The lack of a forecast for post 21/22 is equally concerning. It would be useful to understand from DCC and Ofgem what lessons have been learned from these forecasting oversights and how these are being applied in future years.

It is unclear from the consultation documentations what the driver for another 120 new permanent DCC roles, as forecast for RY21/22, is. Equally, there is a lack of transparency as to who in DCC believed the roles were required, and how the roles reflect User priorities. It should also be noted that sub-committees have raised concerns over the number of DCC members attending meetings with no tangible output. Consideration should be given to better deployment of resource rather than increasing exponentially. The significant increase in Internal Cost and its apparent drivers, raises the question as to why unauthorised spend of this magnitude is incurred and when is the benefit of such spend is justified to Users. There is perhaps a role the Panel can play in helping to approve / justify such spend prior to it being incurred.

DRAFT

The Shared Service fee does not seem appropriate and it is unclear what Shared Services were needed for projects such as Network Evolution (i.e. what functions did the programme require from Capita, that are not part of its submitted costs elsewhere). This is an area where, if the Panel were engaged with the inception of new projects and their delivery approach, such spend could be challenged or limited in an appropriate fashion by the Users who fund the work.

With regards to alternative approaches in respect of questions 6 & 7, we suggest there should be a clear set of principles in making such determinations. Such principles should consider to what extent would a reasonable / prudent operator have been expected to detect and remediate the error earlier in the product development lifecycle (the intent being to incentivise more intensive assurance earlier). Another potential approach is that the SEC Panel could play a role in agreeing costs before spend, providing oversight for SEC Parties, as to what is being incurred when and why.

The Panel firmly believe a request should be made to DCC, for a break down of DCC costs relating to security elements of SMETS1 testing. The additional testing relates to DCC commissioning a National Cyber Security Centre (NCSC) accredited Test Lab to test a selection of SMETS1 devices to a scope set by the Panel Security Sub Committee (SSC). This was following BEIS changes to SEC Appendix AL. It is unclear how the costs incurred as stated relate to this work, which would have been expected to be below £1m.

3. Performance Incentives

Question 11. What are your views on our proposed position on DCC's performance under OPR and trial run for customer engagement, and implementation of the contract management incentive?

Whilst recognising that declared OPR mechanisms must be followed, the SEC Panel finds it difficult to reconcile the calculated outcome with the service quality experienced in the RY. We note that Ofgem believe the systems performance measures have technically been met, However, it would be remiss if Panel did not also record that SEC service levels have not been met during this time. Service Quality issues are set out in answer to Question 1 above and further detail in Annex A. We respectfully suggest that Ofgem may wish to look at the divergence between the service performance achieved against the SEC and that of the OPR.

SEC Parties remain extremely concerned that the metrics used for the OPR, do not reflect the experience of the DCC User. For example, SEC Code Performance Measure 3, has been met, but work undertaken as part of Modification Proposal 096, for Power Outage Alerts, has proven that the DCC are unable to meet the current SEC requirements.

Equally, there is concern across sub committees (throughout this and previous RY) over the amount of time it takes DCC to respond to and resolve issues. This adds to the perception amongst SEC Parties that DCC prioritises issue resolutions for those that potentially benefit the DCC over its Customers. This is a real concern for members of committees who see a large number of DCC representatives attend meetings, but progress is slow or no apparent action undertaken as a result. The current metrics and process do not seem to capture these concerns.

Regarding customer engagement, the divergence in assessments between DCC and the SEC Panel is worrying. Whether this divergence is a result of different assessment methods, or actually points to serious underlying problems needs to be understood and addressed. Further work is also needed to align DCC's perception with the reality of issues SEC Parties face. For example, SEC Parties are concerned that DCC may have a misconception that a site visit to a consumer premise may be readily made to resolve an issue. This is always a last resort activity, requiring considerable

planning, resource and time. It is also reliant on the Consumer being available and able to accept a visit for which they may not immediately recognise the need. We would therefore urge the DCC to always look for a full suite of solutions before suggesting a site visit may be required.

The SEC Panel's view is that it is likely that the service failures originating at FSPs indicate to some extent shortfalls in DCC's contract management. This highlights the importance of putting in place the envisaged independent audit arrangements.

We welcome an opportunity to work more closely with Ofgem to address concerns of Contract Management and note Ofgem's views on DCC's engagement and that there is further room for improvement.

4. Baseline Margin

Question 12. What are your views on our assessment of DCC's application to adjust its Baseline Margin?

We are in agreement with the Ofgem position to disallow costs for DNO Transformation and GBCS compliance, which should be seen as mandatory DCC business. However, it is not clear to Panel how the activities stated could not have been foreseen by the DCC and therefore met the criteria of "material changes to mandatory business". For example, we suggest the DCC should provide further justification for the area of Network Evolution and Data Service Provider / Trusted Service Provider re-procurement. Enhancing and reprocuring these services must fall into a mandatory business requirement of contract management and continuous improvement.

Drivers relating to Security Driven Changes do not represent a change in industry expectations. These have been driven by the constant need to ensure that DCC systems are appropriately and securely segregated, as was originally intended. It is unclear why this is considered an increase to mandatory business.

5. External Control Gain Share (ECGS)

Question 13. What are your views on our assessment of DCC's application to adjust its ECGS?

The Panel is pleased to see cost savings being made, but would urge Ofgem to ensure the DCC is also considering other ways to reduce Service Provider costs outside of refinancing. We also note that the overall trajectory for costs is upward.

We believe it is right that the costs for testing are disallowed. Whilst the saving is welcome to SEC Parties, there is no explanation of the impact or quality and effectiveness of the testing undertaken.

With the new OPR regime commencing in the new Regulatory Year, it is important that a review of the services delivered is made alongside the robust scrutiny of the DCC Costs and its Service Provider contracts to ensure value for money is being provided for all SEC Parties.

DRAFT

6. Switching Programme

Question 14. What are your views on our proposed position on DCC's costs associated with the Switching Programme?

Question 15. What are your views on our assessment of Delivery Milestone 2 and Delivery Milestone 3 of the Switching Programme?

Whilst this programme is outside the remit of SEC Panel governance, we note that this is the second year that costs have increased and urge Ofgem to ensure appropriate checks and balances are in place.

We would highlight the need for a clear set of principles to direct how costs of any elements of the DCC infrastructure shared between SEC and non-SEC uses are identified, allocated, and managed.

DRAFT

Annex A – Panel Sub Committee Views

		In the Regulatory Year			Subsequent to the Regulatory Year
Ref. No.	**Topic**	**Service Quality**	**Customer Engagement**	**Contract Management**	
General					
	Operational Context	**Principal operational factors in the Regulatory Year were the steadily increasing rollout of SMETS2 installations, the commencement of SMETS1 migration and enrolment, and, at the end of the year, the beginning of the Covid pandemic.**			
1	Overall Sentiment regarding DCC Performance *(see subsequent topics for supporting rationale and examples)*	Many areas of the DCC service are operating in accordance with requirements. It is recognised that the scope of the DCC infrastructure increased during the RY, but nonetheless, it was disappointing that service stability (as indicated by the number of major incidents) was worse than in the previous regulatory year. Similarly, whilst the great majority of underlying metrics showed performance in accordance with SEC SLAs, it was disappointing that the summary Code Performance Measure for core DCC services (CPM1) was below minimum requirement for most of the year. Further, Users continue to frequently report difficulties indicating that there are numerous aspects of the service requiring improvement.	In most areas, DCC demonstrated clear commitment to positive engagement with the OPSG, and with understanding and aligning with User priorities. However, this positive approach was not apparent in all areas.	There were a number of areas in which it was not apparent that DCC management of the Service Providers was effective: service failures are taken as evidence of this. Nonetheless, in some cases DCC took firm action to enforce remediation plans	

DRAFT

2	OPSG Interaction (general)	*[DCC has numerous interactions with the OPSG. Specific topics are addressed in other items in this document. This item provides some general comments.]* Generally it is clear that DCC staff largely put considerable effort into engagement with the OPSG. However, the resulting outcomes are not always of a consistent quality and clarity. A particular challenge has been persuading DCC technical staff to express proposals and ideas in User and Operational terms, that being the concern of the OPSG. The quality of engagement sometimes suffered because DCC did not plan engagement sufficiently in advance and in sufficient detail. When sufficient engagement and structure was in place, as seen in SMETS1 Readiness, then difficult and complex governance was progressed in an efficient and planned approach. Changes in DCC staffing have clearly delayed the progression of some topics at the OPSG (such as CH Exceptions). Finally, the OPSG Operations Director was an important positive factor in demonstrating transparency and a willingness to understand and address User priorities.			
2	Covid-19 Response	**The DCC response to the pandemic was exemplary; and the OPSG were pleased with the response. The DCC provided regular updates at the OSPG on the management of resources and services during the COVID-19 pandemic over RY2020/21. There were no significant adverse impacts on services observed.**			
		The DCC claimed an OPR Exceptional Event in June 2020 regarding the CSP North BMax target for WAN connectivity being impacted by COVID-19. This was endorsed by the SEC Panel and a letter sent to Ofgem to confirm. The DCC provided updates on progress against BMax target and confirmed in October 2020 that the target had now been achieved. The DCC reacted positively to the challenges DCC Customers were facing with the CH Logistics Supply Chain (more information can be found section 16 CH Logistics).	The DCC engaged frequently and effectively on the COVID-19 Pandemic.	The DCC promptly and effectively managed and coordinated the Service Providers' responses to the pandemic. There were no observed issues on Contract Management. The DCC and Service Providers responded well to the COVID-19 Pandemic.	

DRAFT

Services					
3	Service Stability	**Major Incidents (Cat 1 or 2, indicating a material impact on Services/ Users) continued at a higher level than would have been hoped, and, disappointingly, was higher than in the previous regulatory year. It is recognised that the service infrastructure increased in scope in the regulatory year.** **This frequency of major incidents caused material disruption to Users. The frequency of failures at the service providers brings into question whether in some instances, DCC's management of the Service Providers was sufficiently proactive (for example, the management of readiness for go-live of the DCO, see below). Nonetheless, DCC did enforce vigorous remediation measures on SPs, particularly in the case of the DCO.**			
		There were 51 Category 1 or 2 Incidents during the reporting period. The SMETS1 Service experienced more serious Incidents (9 Category 1) but there were more Category 1 or 2 Incidents (25 Incidents) on the SMETS2 service for RY2020/21. The impacted duration of the non-excluded Major Incidents equated to 197 hours and 54 minutes (approximately 8 full days of degradation or outage) although it has been noted by Users that the disruption frequently lasts longer than the specified outage time. June 2020 saw the highest number of Category 1 or 2 Incidents, with nine impacting the SMETS1 service and one on SMETS2. The SMETS1 DCO Service experienced significant Major Incidents in June 2020, with OPSG requesting a Service Stability plan from the DCC (See DCO Service for more information). Over December, January and February 2021 there were only two Major Incidents (both in December 2021) demonstrating a significant improvement in the stability of the service.	*See Incident Management, below* *See Service Quality* The DCC were generally transparent in communicating remediation plans and actions at the OPSG.	The frequency of major incidents raises the question of whether DCC's management of the Service Providers was always appropriately proactive and effective. However, in general DCC did demonstrate a willingness to focus on necessary remediation actions.	

DRAFT

4	Service Quality	**The great majority of individual performance metrics monitored in the PMR met the SLA requirements month by month through the year.** **Nonetheless, it was disappointing that Code Performance Measure (CPM) 1 (which represents a summary of the performance of core DCC services) remained below Minimum Service Level for 10 of the 12 months (Jul-20 to Apri-21), largely as a result of problems in CSPN. The DCC consistently met Target Service Level against CPMs 2-8.** **It appears that DCC's management of Service Providers was not always adequate.**	

DRAFT

		The Target Service Level for CPM1 was only achieved twice in the reporting period and that was in May and June 2020. This was primarily impacted by the under-performance in CSP N on PM2 'Percentage of Category 1 Firmware Payloads completed within the relevant TRT' which failed to achieve Minimum Service Level throughout the reporting period. More information can be found under CSP N Service. CPM4 was below Minimum Service Level for one month of the year (Jun-20). As seen from Incident volumes, June was one of the worst months for the DCC on Cat 1 and 2 Incidents. Five of the six Major Incidents closed in June were related to the DCO service. Incidents started from 27 May and the DCO was put on a Service Stability plan to track Incidents, mitigations and remediation plans (both immediate and enduring) for the DCO service which was reviewed monthly by the OPSG. More information can be found under DCO Service. CPM5 was below Target Service Level for two months (Jun-20 & Jan-21) - Jan failure was due to a higher classification given to Incidents (Cat 3 rather than Cat 5) due to the risk of prepayment customers going off supply during change of supply. The DSP claimed over 2 million events (SRVs 3% of totals for reporting periods) exceptions to the reporting of PM1.1 'Percentage of DSP Service Request Times within relevant TRT' attributable to CPM1 in June, July and August 2020 reporting. This was due to a defect identified on the S1SP system that was fixed on 15 August 2020. The OPSG requested the DCC investigated whether	Generally reporting from the DCC has been appropriate, however in some cases explanatory commentary has resulted in queries. There have also been a number of failures of reporting originating at service providers (for example, CSPN) TOC reporting was very valuable for Users and the OPSG. However, DCC have a tendency to focus this capability of potential individual User issues, rather than network/service issues: a more balanced approach is desirable, since both network and User problems need to be addressed.	The DCC did not appropriately manage the CSPN service provider, given its continuing failure to achieve its declared remediation targets for PM2. During the regulatory year, it seems that the DCC did not have an appropriate management process in place for reviewing, validating, and agreeing Exceptions claimed by Service Providers.	

DRAFT

		this should have impacted the relevant S1SPs performance metrics in the PMR. The DCC noted that the defect had no impact on S1SP performance. CSP C&S did not report performance for PM3.2 'Percentage of Category 3 Alerts delivered to the DCC WAN Gateway Interface within the relevant Target Response Time' attributable to CPM3 in June, July and August 2020. The DCC noted that this was due to missing SMWAN data from the implementation of SECMP0062 Northbound Application Traffic Management - Alert Storm Protection. At the October OPSG (OPSG_37x), the OPSG queried how failures to report, and missing data, are calculated in relation to the metrics. The DCC responded that they do not record or consider them in the metric calculations for aggregating CPMs. The OPSG noted that where there are defects within the DCC Service (including Service Providers) that affects the ability to report then this should be treated as a failure to report and that this should be reflected in the DCC's or Service Provider performance metrics. As outlined under section 14 'Management of CH Exceptions', the OPSG expects the DCC to present and manage exceptions through a defined process and governance which is an outstanding action for the DCC. During RY2020/21, the DCC and SECAS were refining and implementing the MP122A 'Operational Metrics' reporting, with the first review undertaken			

DRAFT

		at the OPSG on May 2021. The reporting developed as part of the Operational Metrics Project and subsequent modification provides performance (volume, speed and success) by Business Process (Install & Commission, Prepayment, Change of Supply etc) and has provided significant improvement in the visibility of the End-to-End Ecosystem. The DCC proposed, defined and implemented a generalised capability for reporting on service and network behaviour at a granular level. This capability has proved very valuable and helped provide visibility of the Service capacity and utilisation. The DCC Technical Operations Centre (TOC) has continued to develop over RY2020/21 with new reporting capabilities being progressed (MP122, Customer Analytics, bespoke reporting for Power Outages etc), however has struggled to meet User aspirations in a timely fashion. Although the OPSG are aware that the TOC has been in high demand both internally and externally.			

DRAFT

5	Incident Management	**Generally, DCC's management of incidents improved during the year, although some problems with User communications and categorisation were encountered. The DCC showed a willingness to understand and act on User requests made at the OPSG. In particular, the DCC's decision to treat Category 2 incidents with the same urgency as Category 1 was welcomed by the OPSG. DCC took action to correct incident management failures at Service Providers.**			
		The OPSG reviewed 9 Major Incident Reports over RY2020/21. The themes raised by the OPSG were Incident Categorisation, timeliness and usefulness of User Communications and delays/issues with engagement between DCC and Service Providers. The OPSG challenged the DCC's processes on whether Incidents were appropriately categorised and/or categorised in a timely fashion. There were concerns with the proactive monitoring and data being shared between the DCC and Service Providers that were leading to slow or incorrect assessment of category. The OPSG also observed several instances where the Service Provider failed to, or was very slow, in notifying the DCC's Major Incident Management team of an issue with the Service that had a knock on impact in timeliness of Incident Communications. The DCC have taken several actions to introduce improvements on engagement between the DCC and Service Providers, the proactive monitoring arrangements available within the DCC TOC and Service Providers. The DCC were also requested to provide an overview of the Incident Categorisation (provided in August 2021).	The DCC were generally responsive to OPSG challenges and requests. Whilst processes improved, the OPSG highlighted several occasions where the Incident communications were either late or had incorrect/insufficient information on the User impact. The DCC has implemented improvements in the communications over RY2020/21. The DCC showed willingness to refine their processes and to be transparent in regard to the principles used for incident categorisation.	There seemed to be significant issues between DCC and Service Providers (DCO and CSP N) when interacting and coordinating on Major Incidents during RY2020/21. Although this has since been improved by the use of Heightened Service Management (HSM) plans by the DCC with Service Providers.	

DRAFT

6	CSPN Service	**During the first part of the regulatory year, DCC's and CSP North's declared remediation actions failed, leading to a lack of confidence at the OPSG. Subsequently (in December 2020) the DCC adopted a more convincing approach to improving the PM2 'Percentage of Category 1 Firmware Payloads completed within the relevant TRT' performance. The DCC's management of the Service Provider appears to have been inadequate to ensure service improvements in the first part of the RY.**	

DRAFT

		As identified in RY2019/20 and highlighted under section 4 Service Quality, the CSP North was subject to remediation plans to improve the performance of PM2. The DCC resolved a reporting issue in July 2020 which had impacted the accuracy of the PM reporting throughout 2019 and 2020, and revealed an even lower level of performance than OPSG were aware of. An independent audit was undertaken in 2020 on the CSPs reporting to the DCC and the outputs were shared with the OPSG in June 2021. The remediation plan produced by DCC failed to significantly progress or deliver reliable and consistent performance for PM2. The average performance for firmware downloads over the period was approx. 47%, however performance was unstable moving from a high of 70% in June 2020 but reducing to 11% in October 2020. The OPSG questioned the reliability of the DCC's plans and execution throughout 2020 and suggested that the DCC should broaden the review to consider the design and architecture. In December 2020, the DCC said that a third remediation plan was being finalised by DCC and Arqiva, overseen by a new DCC lead. The DCC proposed undertaking a controlled activity in 2021 to baseline and model the performance of firmware downloads in CSP North to build a better understanding of the pain points within the service and infrastructure. Performance in early 2021 continued on a downward trajectory but the new Service Improvement Plan (SIP) has subsequently demonstrated a marked improvement in performance and consistency for RY2021/22 so far.	The first part of the year, the DCC did not establish the confidence of the OPSG with remediation plans. For the second part of the year, the DCC and the Service Provider set out and demonstrated progress towards a convincing remediation plan. The DCC introduced the CSP N weekly Common Issues Forum (CIF) at the end of 2020. This closed invitation meeting between DCC, Suppliers, BEIS and SECAS allowing for more detailed discussion and engagement on key issues impacting Users. This forum has been beneficial in identifying broader issues with the CSP N service.	During the first part of the regulatory year, it was not at all clear that the DCC were appropriately monitoring and managing the Service Provider. This was reflected in a continued failure to deliver a satisfactory service for PM2.	Remediation Plans Mass OTA improvements in 2021

DRAFT

		The DCC and Arqiva undertook a Mass CH firmware deployment over September and October 2020 as part of Release 2. The large majority of devices were upgraded within 4 weeks, although it subsequently took a significant timeframe to upgrade the remaining 5-10% of devices. The DCC requested meter firmware downloads to be stopped for the duration of the deployment which was communicated but the OPSG raised concerns about a precedent for future deployments. The OPSG noted that the DCC should be transparent when reporting rejected meter firmware downloads on PM2.	The DCC communicated a meter firmware download moratorium to prioritise the deployment of Release 2.0 CH firmware however, the OPSG noted that this should have been communicated sooner and the impact more clearly explained.		

DRAFT

7	DCO Service	**The DCO service exhibited frequent and serious problems soon after go live. This called into question the readiness of this Service Provider for live operation, and whether this had been appropriately assessed by DCC.** **The problems were remediated by a comprehensive Service Stability plan managed and enforced by the DCC. DCC provided excellent transparency to the OPSG of the remediation plans and progress.**			
		As outlined in Section 4 'Service Quality', there were 21 Major Incidents related to the DCO Service between 27 May 2020 to March 2021. The DCO Service Stability plan, to track Incidents, User impacts, mitigations and remediation plans (both immediate and enduring) for the DCO service, was presented to the OPSG in July 2020. The majority of Incidents occurred during May, June and July but continued to occur until October 2020, and resulted in significant failures or degradations in 80-100% of SMETS1 traffic. SMETS1 Migrations were also impacted throughout although the daily target volumes were often recovered on resolution of the Incident. Major Incident numbers dropped between September and October with November and December having no Major Incidents. The plan targeted March 2021 to restore the service to 'Business as Usual' operations with the remaining dependencies on the implementation of enduring fixes and removal of workarounds. The DCC delivered the majority of resolutions by April 2021 although delays to the DCO Hot Standby Project prevented the final action from being completed until July 2021.	The OPSG members raised concerns with the initial identification and communication of Incidents impacting the SMETS1 DCO Service. However the OPSG were pleased with the information provided by the DCC regarding the remediation plans, actions, and progress.	It was not clear to the OPSG that the readiness assessment for the DCO service was satisfactorily carried out by DCC before Go-live. Once the problems became apparent in production, the DCC undertook extensive and determined remediation actions with the Service Provider.	DCO Capacity for Firmware downloads
8	Modification Process	**The time required to execute the mods process continues to cause concern, with the SEC requirement frequently not being met.**			

DRAFT

		In a number of cases (see below), the execution of the Mods process appears to have not fully delivered SEC Party aspirations			
		MP122 'Operational Metrics' was raised following the Operational Metrics Requirements project sponsored by the OPSG to improve operational reporting (Ofgem would also utilise these metrics in its Operational Performance Regime (OPR)). However, due to time constraints and challenges with Service Provider discussions, the modification was split into two parts MP122A and MP122B with MP122A to be delivered in February 2021 SEC Release and no confirmed release for MP122B. The split caused confusion on scope and there have been significant challenges post implementation of MP122A regarding the legal text wording and connection with the OPR. The OPSG has expressed frustration with the delivery and engagement on MP122. MP096 'DNO Power Outage Alerts' saw significant progress over RY2020/21 with the joint testing between DNOs and the DCC to baseline performance and assess changes required to support the current SEC requirement, or lower the SEC requirement to match current or achievable performance. Options were presented, however the costs to support the current SEC requirement were staggering and left Network Operators in a difficult position, as the primary beneficiary of these changes, to justify these costs to industry. The OPSG have raised serious concerns that Industry is consuming cost and effort for DCC's non-compliance to certain targets.	The DCC did not make the most of the opportunities to engage with customers both in the pre-modification project and during the modification process (MP122). In relation to MP096 DNO Power Outage Alerts, the DCC actively engaged with the DNOs, however the outcome of this has been Users reluctantly accepting a reduced SEC requirement.	It appears that the DCC failed to engage sufficiently early with Service Providers to deliver MP122.	

DRAFT

		MP093 'Implementing IRP511 and CRP535 to support GBCS v3.2 devices' went live in the November 2020 SEC Release, however significant delays in progressing this modification and assumptions made around device behaviour led to a significant User impacting issue being introduced. OPSG members have raised concerns regarding modifications not delivering requirements or requiring a new SEC Modification to resolve errors. A lessons learnt activity has been requested by the OPSG. MP0007 'Firmware updates to IHDs and PPMIDs' engagement and approach on implementation has been criticised by the OPSG over RY2020/21. The legal text and partial changes will be made live in the November 2021 SEC Release, however the functionality will not be made available until June 2022 at the earliest. The OPSG have raised concerns with the management of CH Firmware delivery to support modifications and transparency on functionality and implementation.			

DRAFT

9	Change Management	**The RY2020/21 saw beneficial actions taken by the DCC for managing and controlling maintenance, and more transparent and granular reporting on Change Management and Service Outages.** **The DCC developed and implemented an improved approach for categorising and scheduling low and high priority maintenance activities.** **DCC also developed proposals and a trialling approach for managing change during adverse weather.** **However, there has been an increase in maintenance outages required. There were concerns about the short notice given for the CSPN technical refresh.**	DSP Technical Refresh

DRAFT

		<u>Excessive Maintenance</u> Reporting on Planned and Unplanned Maintenance throughout RY2020/21 revealed that in six of the twelve months, the DCC required an additional 12 hours of maintenance a month to complete changes (double the SEC permitted allowance for Planned Maintenance). The DCC did not engage with the SEC Panel or OPSG (as per SEC Section H8.3) to notify and seek agreement for Planned Maintenance above 6 hours per month in RY2020/21, although the outages would have been communicated to DCC Users. The OPSG raised numerous actions for the DCC to provide clarification of definitions and more granular reporting to gain a better understanding of the problem. In January 2021, the OPSG requested that the DCC provide a strategic view of the maintenance outages. With a follow up action in March 2021 to expand the strategic view to all service outages (BCDR and Incidents included) and how this was likely to evolve. The DCC Developed and put into place a management process that helped identify and manage the maintenance requirements across the DCC and Service Providers. The DCC developed and implemented an improved approach/methodology for High and Low Maintenance windows (MP092). <u>CSP North Technical Refresh</u> The DCC requested at the OPSG and Panel in December 2020 for an above the SEC Permitted 6 hour window to complete a CSP North Technical Refresh of key components. This would require a	The OPSG have raised concerns with the significant outages on the DCC service. The DCC did not appropriately engage with the SEC Panel and OPSG to propose additional maintenance requests. The OPSG and Panel were disappointed with the engagement from the DCC on the CSP N Technical Refresh due to additional impact on Users, short notice and unclear operational guidance. There was good engagement with the OPSG on the revised approach for low and high priority maintenance windows. The DCC demonstrated	The DCC successfully improved the management and coordination of maintenance requests from Service Providers. It was not clear to the OPSG that the DCC appropriately managed and challenged the Service Provider on the CSP North Technical Refresh proposals. The DCC have successfully progressed the Adverse Weather changes despite, it is understood, some concerns from Service Providers.	The DCC have been developing a Service Outage Strategy to assess the key drivers for outages, any mitigations, workarounds or recommendations , and enduring solutions and risks (consideration of Network Evolution Programmes). The DCC have been requested to reintroduce the process of engaging with the Panel and OPSG on Maintenance requests above the 6 hours permitted.

DRAFT

		10 hour outage in February 2021 (contingency March) and a risk to firmware downloads failing if attempted 4 days before the activity. The OPSG and Panel felt the engagement on such urgent changes was left late and should have been identified and planned earlier by the DCC and Service Provider. The DCC shared the lessons learnt with the OPSG in May 2021 which acknowledged the failure by DCC to provide sufficient engagement with SEC parties ahead of such activity and on providing clear and concise operational guidance on the impact to Users. <u>Adverse Weather</u> The DCC presented a proposal on managing Change during Adverse Weather following a request from Network Operators. The DCC proposed a trial to assess the benefits of a proposal and raised SEC Modification MP166 'Adverse Weather Planned Maintenance Process' in June 2021. Questions are outstanding regarding the benefits and potential costs/impacts of the proposal.	proactive engagement and improvement in the service with the Adverse Weather proposal, however have not yet clearly addressed concerns on benefits/costs.		

DRAFT

10	Problem Management	**Improvements have been observed in the reporting and management of Problems over regulatory year 2020/21.** **However challenges remain on providing a clear and concise overview of Service and User impact of Open Problems.**			
		At the beginning of the regulatory year, the DCC were tracking over 150 cumulative problems in April 2020, which reduced over the year to 92 cumulative Problem Records (PR) by April 2021. The average age of completed PR fluctuated throughout the regulatory year, however the DCC have made a significant effort to provide more detailed reporting on status, severity and average of all problems rather than just completed. The DCC introduced improvements to reduce the timeframes to identify root causes on problem records over RY2020/21. However, there continues to be difficulties in presenting clear and concise information on the User perspective of the impact to Business Processes and Services by open problems.	The DCC have developed for the OPSG a clear and useful summary status report for Problems. As yet, the Service/User impact of Problems is not explicitly presented.	Improvements have been introduced by the DCC and Service Providers to identify root causes of Problem Records in a timely fashion.	
11	OPSG Issues Log	**There were eight new entries to the OPSG Issues Log in RY2020/21. The key new issues raised related to the success and performance for the retrieval of data (SR4.8.1 Half Hourly Reads and SR4.10 Network Data), Data quality and Installation & Commission performance (by geographical area). There are still significant challenges that require further investigation in regards to how Users are utilising the DCC Services against the design assumptions and system capabilities.**			
		In January 2021, the DNOs and Other Users highlighted significant concerns with the performance and success of half hourly and network data reads. The DCC undertook analysis and engagement with Users and Technical Forums to identify any underlying root causes. A stress testing exercise was executed in CSP North to understand how the system and devices behaved in different scenarios (message volume, size,	The DNOs, Other Users and Energy Suppliers in both the retrieval of data and Install & Commission issues struggled to get the support and acceptance	*No comment.*	

DRAFT

		geography and time period). By the end of RY2020/21 the DCC had identified initial fixes that could be applied to the CSP North Infrastructure and CH firmware that would be deployed over RY2021/22. Although originally raised as two separate issues, the DCC have confirmed there are similarities and crossover in the issues identified with the two service requests (SRV4.8.1 & SRV4.10). Energy Suppliers highlighted concerns with specific geographical locations in the CSP North region where they were observing significantly higher failure rates when attempting to Install & Commission. This was raised on the OPSG Issues Log in April 2021 so there was no opportunity to investigate and provide an outcome in RY2020/21. By the end of RY2020/21, the DCC were planning to coordinate with Suppliers to monitor and track the performance in specific areas in CSP North to identify any potential root causes or issues. Several fixes may be required across Devices, Systems/Services and User Processes to achieve the desired performance levels. There are also still significant challenges that require further investigation in regards to how Users are utilising the DCC Services against the design assumptions and system capabilities.	from the DCC to investigate the issues highlighted initially. However, following persistent evidence and escalation the DCC have engaged the relevant stakeholders (SEC Parties, Service Providers and Manufacturers) to build a better understanding of the issues and root causes.		
12	SMETS 1 (Readiness and Governance)	**There were two SMETS1 Capabilities that were subject to a readiness review and go live during RY2020/21. In both cases, the DCC received conditional endorsement from the OPSG due to significant issues on the service and devices. The DCC engaged positively in the readiness assessment process.**			

DRAFT

		The SMETS1 Middle Operating Capability (MOC) was reviewed and conditionally endorsed by the SEC Panel on 22 July 2020, subject to service stability and security- based remediation activities. The DCO Service was experiencing impactful and regular Incidents (please see section 6 DCO Service for more information) in the lead up to the SMETS1 MOC go live. The DCC acknowledged the challenge and agreed to not consider go live until a reasonable period of stability had been demonstrated. The SMETS1 Final Operating Capability (FOC) was planned for implementation in December 2020, however, was postponed due to significant defects being identified late by the SMETS1 Service Provider. The readiness criteria were conditionally endorsed by the SEC Panel on 23 February 2021, subject to investigation and confirmation of an issue affecting Device memory. The DCC adapted to the late information well and engaged with the relevant industry forums to ensure elements of the FOC service could be made live.	The DCC cooperated positively with the OPSG in the readiness assessment process	*No comment.*	
13	BCDR	**The quality of BCDR planning presented to the OPSG improved during the RY, and by year end was satisfactory. DCC positively engaged with the OPSG on the scheduling of BCDR tests. Although a small number of BCDR exercises failed to complete successfully.**			

DRAFT

		Planning The DCC planning was hindered by the COVID-19 Pandemic, DCO Stability and delays to the SMETS1 MOC and FOC cohorts which led to several replans throughout RY2020/21. There were initial challenges early in the regulatory year, with the DCC providing sufficient detail when producing a BCDR plan which caused delays in review and endorsement. However, this was addressed by the end of the regulatory year and have been used as a template going forward. Execution There were two BCDR failovers marked as unsuccessful in RY2020/21. MOC Secure Disaster Recovery (DR) resilience test in November 2020 missed the Recovery Time Objective (RTO) by 30 minutes. The DSP failover in April 2021 was marked as unsuccessful due to a process failure that led to a Major Incident following failover. The DCC undertook a lessons learnt on both tests and came to the view that no retests were required. The OPSG reluctantly agreed with this position but expected the DCC to retest the impacted Services and Service Providers as a priority.	At the beginning of the regulatory year, the DCC were failing to provide BCDR plans in the expected format and level of detail causing delays in review and endorsement. However, this was resolved by the end of the regulatory year and a template has been agreed for future submissions. The DCC engaged positively with the OPSG on BCDR scheduling.		
14		**The Regulatory Year included 3 SEC releases, June 2020, November 2020 and February 2021. These were generally implemented successfully, with positive engagement from DCC.**			

DRAFT

	SEC Release Implementation	The Regulatory Year included 3 SEC releases, June 2020, November 2020 and February 2021. The OPSG noted that the late engagement on the SSI Governance for the relevant SEC Modifications in the November 2020 release. Fortunately, the SSI changes were not contentious and did not hinder the release go live although the OPSG questioned the efficiency of SSI Governance for changes related to SEC Modifications. The DCC acknowledged this issue as part of the release lessons learnt and have since made proposals to address.	Generally DCC engaged positively on these Releases.	*No comment.*	
15	SSI Enhancements	**After some teething problems, including the willingness of DCC to release cost information, the SSI change approval process worked satisfactorily, with positive engagement from DCC.**			
		The OPSG approved three SSI Improvement Proposals (SIP) over RY2020/21. As noted under Section 11 'SEC Release Implementation', the OPSG requested the DCC consider improvements to the SSI Change Governance implemented as part of SECMP0058 'Changes to the governance of the Self-Service Interface'. The DCC presented a proposal to the OPSG in April 2021 to separate the governance between standalone SSI changes and SSI changes relating to or as a result of a SEC modification	Although there were concerns with the late engagement on SSI Changes related to the Nov 2020 Release, the DCC responded positively to feedback from the OPSG and SECAS on SSI Change Governance and presented a proposal to address, although this has taken some time to come to fruition. DCC had some	*No comment.*	

DRAFT

			concerns about releasing cost information for SSI changes.		
16	CH Logistics	**The DCC and CSPs provided substantial support to Energy Suppliers on managing the forecasting, ordering and delivery of Communications Hubs during the COVID-19 pandemic. However, challenges continued with DCC Customers ability to return CHs in bulk: it is not clear that DCC have embraced the need for such a process.**			
		Temporary CH Ordering and Logistics The DCC raised SEC Modification MP130 'CH ordering and delivery changes due to COVID-19' in May 2020 to address and manage the supply chain in response to COVID-19. The DCC implemented a set of temporary rules to allow for exceptional changes to forecasting and ordering to address the concerns raised by DCC Customers with Install rates during lockdown and Warehouse storage space. The DCC and CSPs provided proactive support to DCC Customers to manage supply chains during the pandemic Bulk returns process The OPSG raised concerns in early 2020 regarding the capability and ease of returning CHs in bulk to the DCC. These issues ranged from access and usability of the Order Management System (OMS), and DUIS Service Requests. MP117 'Bulk CH Returns' was raised February 2020 and DCC responses to OPSG actions outlined that this would address the concerns raised by OPSG members. However, the modification was withdrawn by the DCC in June 2021 due to industry concerns on the high costs.	Very positive engagement between DCC and DCC Customers in response to the COVID-19 Pandemic and managing the CH Supply Chain. It is not clear that the DCC have embraced the clear User requirement for an efficient bulk returns process despite repeated requests through various channels.	The DCC encouraged a very cooperative approach from CSPs.	Global Component Supply Chain issue

DRAFT

17	Management of Comms Hub Exceptions	**The OPSG has been disappointed with the lack of progress from the DCC on providing a clear process and reporting regarding Communication Hub (CH) exceptions.**			
		A variety of CH exception related issues were raised on the OPSG issues log in 2018 and although there have been several leads assigned there has been little progress in reducing new and existing CH exceptions. Total estate exceptions in CSP C&S have increased from 155k in May 2020 to 431k in April 2021, with in period exceptions increasing from just over 4k to over 19k. CSP N does not provide total estate exceptions, however in period exceptions grew from over 9k to over 43k. The OPSG acknowledges that there is an expected level of allowed exceptions, however the majority seem to indicate failures in process or transfer of data and therefore requires further investigation.	Poor progress and engagement with OPSG to provide clear visibility, impact and required remediation for CH Exceptions.	During the regulatory year, it seems that the DCC did not have an appropriate management process in place for reviewing, validating and agreeing CH exceptions proposed by Service Providers.	
18	Superfluous Alerts	**The DCC identified the very significant problem arising from superfluous alerts and have proactively and effectively managed mitigations and remediations across stakeholders.**			

DRAFT

		The DCC Service in May 2020 was subject to over 70m alerts per day in the CSP C&S and just over 5m per day in CSP N. By April 2021, the alerts in CSP C&S reduced to just over 30m per day but had increased to over 10m in CSP N. Over RY2020/21 the DCC have made significant strides in reducing and mitigating the impact of alerts on the DCC service, such as the implementation of SECMP0062 'Northbound Application Traffic Management - Alert Storm Protection' which introduced a process of filtering and logging alerts but reducing the requirement for DSP processing that was impacting capacity. The DCC have also demonstrated proactive and positive engagement between Service Users and Manufacturers (Meter and Communication Hub) to identify root causes, report on impacted devices, and assist the implementation of fixes which has removed a large volume of Alerts from the service. Although the volume of Device Alerts has increased in CSP North, an alert (8F12) which was impacting the memory of Communication Hubs was resolved via a firmware upgrade but has been replaced by another alert (8F3E) which is less impactful to the service and devices. However, this device alert now dominates the overall volumes in CSP N.	The DCC have demonstrated positive engagement with SEC Parties and Manufacturers in identifying and resolving superfluous alerts.	The DCC encouraged a very cooperative approach from CSPs.	
19	Radio Frequency (RF) Noise	**In the regulatory year, the DCC began the work on establishing a clear approach to dealing with meters non- compliant with Radio Frequency Noise requirements (as derogated). After, some difficulty in establishing a strategy reflecting impacts on Users, a clear approach was set out by DCC in the RY.**			

DRAFT

		The DCC requested support from the OPSG in December 2020 regarding an Intimate Communication Hubs Interface Specification (ICHIS) derogation extension proposal and remediation plans for non- compliant installs. The derogation was due to end in March 2021 although significant stock volumes remained uninstalled by Suppliers. The OPSG members highlighted that there had been difficulty installing during the COVID-19 pandemic and that the DCC had sent confusing communications regarding whether meters compliant with the ICHIS could be installed that contradicted bilateral agreements made with the DCC. The DCC engaged with Suppliers to identify and agree new/remaining volumes to be installed by March 2022 whilst progressing with formal governance. The DCC discussed a Change Request with the CSPs to support the extension but slow progress and questions on scope caused confusion and delays in reducing stock volumes. The updated ICHIS was published in June 2021. Although non-compliant installations increased in early 2021, the engagement by DCC Service Managers and the OPSG saw a significant reduction in the installation of meters non-compliant to ICHIS from May 2021 onwards.	The OPSG noted the confusing communications to DCC Customers regarding immediately halting installations and then reversing the decision shortly after, as this affects complex supply chains incurring cost and effort. The OPSG also highlighted confusion over bilateral conversations regarding particular meter models being considered compliant for installation within the derogation, and then for DCC Customers to subsequently receive contradictory communications. The DCC have demonstrated a desire to	*No comment.*	

DRAFT

			understand the challenges and impacts on Users. Positive engagement and reporting provided to DCC customers by the DCC to identify and reduce meters being incorrectly installed, however issues remain with the development of remediation plans to replace meters installed non-compliantly.		
20	DCC Non-SEC Modification Changes Governance and Process	**The OPSG have a long-standing request for a clear description of DCC's processes in regard to Non-SEC changes.** **DCC have agreed to produce this description.**			
		The OPSG raised an action against the DCC (OPSG action 42/15) following numerous complaints from SEC Parties regarding the DCC's governance and process for Non-SEC Modification related changes. The DCC outlined the use of their Finance Forum, however SEC Parties have challenged the view that this forum considers Business Cases and associated costs. The DCC have yet to provide an update to the OSPG on the process and governance for considering business cases and costs on non-SEC modification change. The OPSG acknowledges that it is not the SEC Panel or OPSG's remit to endorse	The OPSG members have highlighted significant concerns that there seems to be a lack of clear process, governance and engagement for DCC Customers to input into Non-SEC Modification Change Proposals	*No comment.*	As of November 2021, the DCC have yet to present governance or process although there is an update scheduled in January 2022.

DRAFT

		or change the process outlined, however can facilitate the transparent presentation and input from SEC Parties into a DCC process.	and Costs. The DCC have outlined plans to produce and present this information but has been an outstanding action since February 2021.		
21	Issues raised by Other Users	**DCC 'Other Users' encountered several issues with interacting and receiving support from the DCC which resulted in Service and Problem Management improvements.**			
		The OPSG were made aware by a DCC Other User in RY2020/21 that they were encountering significant issues on requesting and retrieving Half Hourly data from devices. The Other Users also highlighted fundamental issues when interacting with the DCC to raise issues as they were often misdirected to Manufacturers to whom they hold no relationship. The DCC undertook an investigation and presented findings and recommendations to improve the engagement via Service Management to the OPSG in February 2021. A DCC led 'Common Issues Forum' was set up in May 2021 to discuss and address issues raised by 'Other Users' although there were concerns raised with the objective, outputs and how this forum would interact with existing governance. The DCC engagement with Other Users improved significantly by the end of RY2020/21 with regular updates provided on related Problems and expected remediations. The DCC have also demonstrated additional support by the	The Other Users highlighted fundamental issues when interacting with the DCC to raise issues as they were often misdirected to Manufacturers with whom they hold no relationship. Issues and challenges in this area improved by the end of the regulatory year.	*No comment.*	

DRAFT

		implementation of a Devices Team within the Problem Management department to engage with Manufacturers.			
Examples of Projects and DCC Initiatives					
22	Network Evolution Programme: 4G CH & Network	**Throughout 2020, the DCC discussed the scope of the changes that will be required to deliver 4G Communications Hubs, the Minimum Viable Product (MVP). In September and October 2020, the DCC introduced the Business Requirements for the MVP. Following discussions with the Panel Sub-Committees on the requirements, the Panel recognised and supported the business need of the programme to deliver an MVP in time for early intercept of the main Smart metering rollout. In general, the OPSG believed that the process for engaging with the OPSG should have been better and more clearly structured by DCC.**			
		There were significant challenges with the DCC clearly outlining the process for engaging with the SEC Panel and Sub-Committees and what documentation or information would be available throughout the review. The scope and process for considering the different type of requirements from MVP, SEC modifications and 'Optional' elements has caused confusion and delays in the review and governance. The OPSG raised concerns with approach regarding SBCH and DBCH, services for CSP North and smaller CH sizes. Broader concerns continue to be raised regarding the evolving business case and appropriate time to implement a solution to mitigate the risk to 2G/3G sunsetting. The OPSG has expressed disappointment that Users feel concerns and considerations have not been appropriately considered and addressed by the DCC. A lessons learnt activity is underway at	There were significant challenges with the DCC not clearly outlining the process for engaging with the SEC Panel and Sub-Committees and what documentation or information would be available throughout the review. The OPSG expressed disappointment that the concerns	*No comment.*	

DRAFT

		the DCC which will be taken into consideration for future Network Evolution Programmes and Projects.	of Users have not been appropriately considered and addressed by the DCC (DBCH business case and smaller CH sizes).		
23	Network Evolution Programme: DSP Programme	**The OPSG were first given an overview of the DSP Programme engagement plan and high level requirements in April 2021.** **it was noted that apparently the DSP re- procurement and the DSP contract extension appeared to being conducted as separate programmes.** **The DSP contract extension activity seemed to be raised late with industry for consideration with Users outlining frustration that due to this it did not allow much flexibility in the options and put the Service Provider in a favourable position.** **The OPSG noted that it seemed that engagement on the contract extension and the Programme itself had been left late and that insufficient information had been provided on the engagement plan. There has since been positive interaction between DCC, SECAS and the Panel and Sub-Committee Chairs to ensure the engagement plan provides sufficient detail on the phases, required documents/deliverables and considerations for relevant stakeholders.**			

DRAFT

		The OPSG were first given an overview of the DSP Programme engagement plan and high level requirements in April 2021. The OPSG raised concerns regarding the process for considering each phase or milestone on the plan provided and was disappointed that this hadn't been addressed by the comments to the 4G CH & Network Programme. The DSP contract extension activity seemed to be raised late with industry for consideration and Users outlined frustration that due to this it did not allow much flexibility in the options and put the Service Provider in a favourable position. The OPSG noted that it seemed that engagement on the contract extension and the Programme itself had been left late and that insufficient information had been provided on the engagement plan. There has since been positive interaction between DCC, SECAS and the Panel and Sub-Committee Chairs to ensure the engagement plan provides sufficient detail on the phases, required documents/deliverables and considerations for relevant stakeholders.	The OPSG noted that it seemed that engagement on the contract extension and the Programme itself had been left late and that insufficient information had been provided on the engagement plan.	*No comment*	

DRAFT