



DCUSA Change Report

DCP 195 and DCP 195 Alternative - Service Level Agreement for Resolving Network Operational Issues

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA and details DCP 195 'Service Level Agreement for Resolving Network Operational Issues' and Alternative solution DCP 195A.
- 1.2 The voting process for the proposed variations and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.
- 1.3 Parties are invited to consider the proposed legal drafting amendments for DCP 195 (Attachment 1) and DCP 195A (Attachment 2) and submit their votes using the form attached as Attachment 3 to dcusa@electralink.co.uk no later than **4 July 2014**.

2 BACKGROUND

- 2.1 Whilst Suppliers are installing smart meters (both foundation and enduring) they may identify network issues that may require resolution. Detailed work has already been carried out by the Energy Network Association's (ENA) Smart Meter Operations Group to categorise the network issues that are being or could be identified whilst attending a customer's property. This work has been used to create a new set of 'Asset Condition Codes' within the Master Registration Agreement's (MRA) Data Transfer Catalogue. These Asset Condition Codes are listed in Attachment 4. It should be noted that the Asset Condition Codes are currently being reviewed and changes to them may be progressed via the MRA governance process in due course.
- 2.2 In August 2012 DCP 153 'Service Level Agreement for Resolving Network Operational Issues' was raised seeking to introduce Service Level Agreements (SLAs) by which Distributors need to have carried out the work required to rectify the issues that have been brought to their attention, for the most urgent Asset Condition Code Categories A and B. This Change Proposal was rejected by Ofgem in September 2013. The Ofgem decision letter which details the reasons behind the decision to reject the proposed change is provided as Attachment 5. In its decision letter Ofgem noted that there is widespread support for SLAs and urged Distributors and Suppliers to give further consideration to the issues raised in the decision letter and develop further modifications in the future, if appropriate.

- 2.3 Following the rejection of DCP 153 the proposer held discussions with the Energy Networks Association (ENA) and other market participants on how the issues highlighted by Ofgem in its decision letter might be addressed. DCP 195 has subsequently been raised seeking to introduce SLAs for the resolution of network operational issues in such a way that Ofgem's concerns are addressed.
- 2.4 DCP 195 proposes that Suppliers provide more granular information to Distributors than is likely to be requested by The Secretary of State or the Authority. However it is intended that the reporting periods contained within DCP 195 proposal should align where possible with any regulatory reporting requirements.
- 2.5 DCP 195A has been raised as an Alternative to DCP 195. It contains all elements of DCP 195 but also introduces an obligation for distributors to inform Suppliers and their appointed MOP of the date and timing of any appointment made, rebooked or cancelled with their customer to rectify a Category B network issue. In DCP195 the requirement to provide this information exists however this information will only be sent on request of the supplier and the means and timing by which the information is provided is less formally defined and leaves arrangements to be made between individual DNO's and suppliers. In DCP195A the information must be sent in all cases and the means by which the information must be provided is defined (i.e. by data flow) and timings are specified.

3 Summary of Change

- 3.1 Following responses received from the DCP 195 consultation (see section 5) and review of these comments by the DCP 195 Working Group (see section 4) the Working Group has agreed that the following key principles will be incorporated into the DCP 195 legal drafting:
- New definitions for Category A, B and C situations
 - Suppliers to report category A situations by telephone and category B and C situations using the D0135
 - DNOs to respond to a category A situation within 3 hours if received within working hours or 4 hours if received outside working hours
 - DNOs to notify Supplier's meter operator if they are unable to respond to a category A situation within the prescribed timescales

- Where a DNO is unable to resolve a category A situation on the first visit ensure that any further follow up work required is carried out under the category B prescribed periods
- Suppliers to report category B situations within 5 wds of identifying the situation
- DNOs to make appointments with customers to attend category b situations within 10 wds of receipt of D0135
- If customer contact details are not provided on the D0135 and customer contact details are not on the Priority Services Register, DNO may reject the D0135
- DNOs to resolve category B situations within 40 wds of receipt of D1035
- Supplier to report category C situations within 10 wds of identifying the situation
- DNO to meet SLA for rectifying category A and B situations on 90% of occasions unless the sum of all category A and B situations reported exceeds 2% of the total forecast smart meter installations for that particular quarter. The SLA will still apply to all category A and B situations up to 2% of forecast smart meter installations.
- Where the DNO and customer agree an appointment outside of the 40wd timescale then the SLA will have deemed to have been met
- Where the DNO agrees an appointment with the customer but the DNO is unable to obtain access on the agreed appointment date then the SLA will have been deemed to have been met
- Where the DNO has failed the SLA for any given situation then the DNO will prioritise these situations for resolution over and above new situations being reported
- Where the Supplier or agent incorrectly reports a situation category or code then the DNO will report this back to the Supplier or agent
- From 1st April 2015 where a Supplier or agent misreports a situation as a more serious category than is the case then the DNO may levy a charge in accordance with their charging statement
- Where requested by the Supplier the DNO will provide the appointment date for any individual customer who has a category B situation outstanding

- Suppliers to provide forecasts of their smart meter installation roll-out plans up to 2020 in accordance with Part 4 from 6 months after Ofgem approve this change
- Suppliers will ensure that they apply appropriate diligence and consistency to their forecasts in line with other forecasts provided to DECC and Ofgem
- DNOs to provide reporting in accordance with Part 3 from 6 months after Ofgem approve this change
- The SLAs for category A and B situations will become effective 12 months after the Suppliers start to provide smart meter installation roll-out plans

3.2 Following Working Group discussion it was agreed that the above key principles would be included in the final legal drafting but that there would be a 6 month post implementation review to review the key principles and agree whether any changes are required. A further review should also be held 6 month after the SLAs become effective. If subsequent changes are required these will form part of a new DCUSA change proposal.

3.3 DCP 195A includes all of the principles described above and in addition includes the following:

- From 27 February 2015 DNOs to inform the Supplier and MOP of agreed appointment dates as soon as reasonably practicable and in any case within 5 working days of making that appointment
- Any cancellation and or subsequent re-booking of an appointment shall be notified by the same means and in the same timescales.

4 DCP 195 WORKING GROUP

4.1 The DCUSA Panel established a Working Group to assess DCP 195 and the group also assessed DCP 195A. The Working Group was comprised of Supplier, Distributor, Meter Operator and Ofgem representatives.

4.2 Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk.

4.3 The Working Group discussed the CP and developed a consultation document (Attachment 6) to gather information and feedback from market participants.

5 DCP 195 CONSULTATION

- 5.1 The DCP 195 consultation was issued on 23 January 2014. The consultation was circulated to DCUSA Parties, the Association of Meter Operators, Consumer Focus and Ofgem.
- 5.2 There were 10 responses received to the consultation. The Working Group reviewed the responses to each question and developed the change proposal solution, taking into account the majority view of respondents and Working Group members.
- 5.3 A summary of the responses received, and the Working Group's conclusions are set out below. The full set of responses and the Working Group's comments are provided in Attachment 6.

Question 1 - Do you understand the intent of the CP?

- 5.4 The Working Group noted that all consultation respondents understood the intent of the CP.

Question 2 - Are you supportive of the principles established by this proposal?

- 5.5 The Working Group noted that all consultation respondents were supportive of the principles established by DCP 195. Although one DNO respondent highlighted that they had some concerns around the lead up time prior to implementation, as without early sight of roll out volumes it will be difficult to determine appropriate resource levels.
- 5.6 The group agreed with the suggestion made by one respondent that there should be a post approval review of the CP once more intelligence is available. Section 7 below discusses the post approval review in more detail.

Question 3 - Do you have any comments on the proposed legal text?

- 5.7 Five consultation respondents provide comments on the legal text. The Working Group considered each comment and updated the legal text accordingly. Full details on the comments received can be found in Attachment 6.

Question 4 - Are there any unintended consequences of this proposal?

- 5.8 The Working Group noted that five respondents to this question felt that there may be unintended consequences.
- 5.9 One of these respondent highlighted that the 2% intervention rate is based on smart metering rollout forecasts, however, until SMETS2 compliant meters are available in high volumes and across all meter variants, non-smart meters will continue to be installed. In these circumstances the forecast volumes of smart metering installations will be low but interventions will still be required for non-smart meters. If this is not accounted for not only will Distributors breach their SLAs but customers with non-smart meters will be relatively disadvantaged in terms of the quality of service they receive from Distributors. The DCP 195 Working Group agreed that consideration of this issue should be given during the post approval review as more will be known about intervention rate volumes by this point.
- 5.10 Another respondent explained that the ability to meet the SLAs may be affected by a number of factors for which the expected volumes are currently unknown. For example, aborted visits, incorrect Category allocation, Suppliers targeting the same location at the same time and second visits being needed. The Working Group agreed these scenarios will potentially occur, however, it was agreed that no additional amendments to the legal text were needed to accommodate the scenarios.
- 5.11 One respondent highlighted that there is a risk of suppliers exceeding their centrally developed installation volume forecasts with the Suppliers' local operational/delivery managers still expecting the SLA performance to be maintained by Distributors. There is also the risk of Distributor resource issues being created by miss-reporting Category B jobs as Category A jobs by Suppliers' agents and sub-contractors, for example in the pursuit of meter installation productivity against potential performance incentives. The Working Group noted this respondent's concerns.
- 5.12 The Working Group also noted another respondent's concerns that volumes of interventions may occur beyond the ability of the network owner that result in large numbers remaining unresolved. With the threshold at 2% aggregated across Suppliers, some areas that have not been subject to network investment could be disadvantaged by the SLAs being missed. It was noted that Distributors could apply for a derogation from the SLAs whilst additional resources are put in place in such circumstances.

Question 5 - Do you consider that the proposal better facilitates the DCUSA objectives?

- 5.13 The following table outlines the respondents' views on which DCUSA Objectives are better facilitated by the CP:

DCUSA General Objectives	No. Of Respondents that agree it is better facilitated
Objective 1	9
Objective 2	7
Objective 3	8
Objective 4	0
Objective 5	0

- 5.14 The Working Group noted that the majority of respondents believe that CP will better facilitate one or more of the DCUSA Objectives.
- 5.15 In response to this question one respondent noted that they would welcome views as to whether the CP better facilitates DCUSA Objective Five¹. The Working Group noted that smart metering is an EU objective and identified that Objective Five is better facilitated.

Question 6 - The proposed implementation for the DCP 195 legal text is six months after Ofgem approval. Reporting will then commence the first quarter after this date and the SLAs will apply from 1 April 2015. Do you agree with these proposed dates?

- 5.16 The Working Group noted that a majority of respondents agreed with the proposed implementation dates. The following table summarises the responses to this question split by respondent type.

Respondent Type	Count of Respondents		
	Agree	Disagree	Total
DNO	3	3	6
Supplier	3	1	4
Total	6	4	10

- 5.17 The Working Group discussed the responses to this question, noting that those respondents that disagreed with the proposed implementation dates had concerns around the timing of the reporting. For example, one respondent highlighted that DNOs would have a relatively short lead time to get resources in place following receipt of the first post-code outcode level reporting from Suppliers. Another respondent pointed out that DNOs will only be able to determine whether the SLAs

¹ Objective 5 - Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

have been met four quarters after the first set of Supplier reporting is received (by virtue of legal text paragraph 30.5D.1). Consequently, the respondent suggested that the SLAs cannot start until four quarters after the Supplier reporting commences. The working group agreed that the legal drafting would be amended to state that the SLAs will commence four quarters after Suppliers start to provide their installation forecasts.

- 5.18 The Working Group observed that the Data Communications Company (DCC) and their associated sub-contractors had not yet provided a go-live date and thus it would not be possible for Suppliers to provide post-code out code reporting at present. It was suggested that Suppliers should use best endeavours when producing rollout forecasts. The group also agreed that that during the post approval review there should be an assessment of the granularity and the timescales of the reporting, i.e. whether postcode information is available by this point.

Question 7 - It is proposed that the 2% threshold is based against the quarterly forecasts of smart meter roll outs. The legal text currently specifies that this should use the forecast from 4 quarters ago. How far in advance should this forecast be base-lined to enable adequate resourcing by distributors?

- 5.19 As demonstrated in the table below, the majority preference across respondents was that the 2% threshold should be base-lined against the forecast from four quarters ago; although some respondents had a preference for more quarters and some had a preference for less.

Respondent Type	Count of Respondents					Total
	One Quarter	Two Quarters	Four Quarters	Six Quarters	No Preference	
DNO	0	1	3	2	0	6
Supplier	1	1	1	0	1	4
Total	1	2	4	2	1	10

- 5.20 The Working Group noted that the accuracy of the data from the Suppliers will be greater the closer it is to the implementation date, thus data four quarters out will be less accurate than that provided for one quarter out.
- 5.21 It was observed that Suppliers as well as DNOs will be resourcing to forecasted levels and thus will want to have a reasonable confidence level in the forecasts. Reasonable notice is needed to have the appropriate amount of trained staff in the appropriate

locations. A Working Group member explained that it can take up to 18 months for a Distributor to train an individual, thus there is a need to start the recruitment process far in advance of the period that the postcode outcode reporting covers.

5.22 The group discussed whether forecasting by postcode outcodes is needed or whether the area code would be sufficient. To give an example of the postcode terminology based on the Ipswich area:

- IP = area code
- IP1= district (i.e. Outcode)
- IP1 2 = sector
- IP1 2AA = full post code

5.23 Based on its discussions, the Working Group agreed that as a compromise position reporting should be at postcode outcode level for two quarters, postcode area code for a further two quarters and at GSP level on an annual basis.

Question 8 - If the 2% intervention rate was found to be systematically wrong for a given region or for all regions, how might that be dealt with?

5.24 The Working Group noted the responses to this question and agreed with the views expressed by a number of respondents that if the 2% intervention rate was found to be systematically wrong then the Distributor could apply for a derogation initially. In the longer term a DCUSA Change Proposal could be raised to change the 2% value.

Question 9 - Based on your experience, can you provide the DCP 195 Working Group with any information that would aid the group in determining the network fault rate as a percentage of smart meter installations?

5.25 The Working Group noted the responses received to this question and agreed that there was nothing in the responses to suggest that the group should move away from the 2% figure.

Question 10 - Should Parties have the ability to refer other Parties to the DCUSA Panel for failure to meet these new obligations?

5.26 As demonstrated in the table below, the majority of respondents supported giving

Parties the ability to refer other Parties to the DCUSA Panel for failure to meet the DCP 195 obligations.

Respondent Type	Count of Respondents			
	Yes	No	Undecided	Total
DNO	3	3	0	6
Supplier	3	0	1	4
Total	6	3	1	10

5.27 The Working Group discussed each of the responses received and reached a consensus view that there should not be an escalation process to the Panel and instead there should be co-operation between Parties, i.e. DCP 195 should not be dealt with any differently to any other DCUSA obligations. It was observed that this view may change following the post approval review.

Question 11a – Do you agree with the proposal that where Distributors are not meeting the SLAs they could potentially be required to submit a recovery plan to the DCUSA Panel?

5.28 The Working Group noted that, following the review of responses to Question 10, it had been agreed that there will not be an escalation to the panel process.

Question 11b - Do you have any comments on what the qualifying criteria should be (for example, the legal text proposes failure to meet the SLA for a licence area for two successive quarters)?

5.29 The Working Group noted that, following the review of responses to Question 10, it had been agreed that there will not be an escalation to the panel process.

Question 11c - Do you believe that Suppliers should be required to submit recovery plans where their reporting is not in line with the defined rules or where mis-reporting is having an impact on the DNOs ability to meet the service level?

5.30 The Working Group noted that, following the review of responses to Question 10, it had been agreed that there will not be an escalation to the panel process.

Question 12a - The Working Group is recommending that the time frame in paragraph 30.5B.1 of the legal text (relating to notifying the Distributor of Category B situations) be 5 WDs, what are your views on what this timeframe should be?

5.31 The following table provides a summary of the responses to this question.

Respondent Type	Count of Respondents				Total
	2 to 3 WDs	5WDs	10WD	Preference not stated	
DNO	0	4	0	1	5
Supplier	1	2	2	0	5
Total	1	6	2	1	10

5.32 The Working Group noted that whilst some support longer timescales and others support a shorter timescale, the majority are comfortable with a 5 Working day timescale.

5.33 Working Group members suggested that there should be contact between Suppliers and Distributors at a local level to facilitate a smooth process.

Question 12b - The view of the Working Group is that the timescales in 30.5C.1 of the legal text (relating to notifying the Distributor of Category C situations) should be 10 Working Days. Do you agree with this timeframe?

5.34 The Working Group noted that nine out of the ten respondents to this question supported a timescale of 10 Working Days. The Working Group agreed that it was happy with this value.

Question 13 - Clause 30.5B.2 of the proposed legal text states that where a notification of a Category B incident is received it should be rejected if telephone details are not provided unless the customer and their contact details are on the priority services register. This will ensure that the Distributor is able to contact the customer for all accepted flows. Do you agree with this approach?

5.35 The Working Group noted that the majority of respondents had concerns with this suggested approach. Some of the concerns raised included:

- That some customers may have stated that their preferred method of receiving communications is not via telephone;
- That some customers may not have provided consent for their contact details to be shared;
- That some customers may not have a telephone; and
- That some vulnerable customers may not be on the Priority Services register as the Supplier has not notified the DNO.

5.36 Where the Supplier is unable to provide customer contact information, the Working

Group also agreed that flows would not necessarily be rejected and that best endeavours should be used to contact the customer. It was observed that as a minimum a postal address must be provided, however, Distributors may find it difficult to meet the SLAs with only a postal address.

- 5.37 The Working Group noted that for many customers email may be the preferred method of communication, however, Suppliers cannot provide DNOs with customers' email addresses as the Data Transfer Network (DTN) currently does not permit use of the "@" sign. It was noted that outside of the DCP 195 Working Group there is a discussion occurring as to whether the @ sign should be added to the valid DTN data set.

Question 14 - Should the Distributor manage the process for making the appointment with the customer, or should the supplier or their MOP agent take responsibility for dealing directly with the customer?

- 5.38 The Working Group noted that only one respondent to this question expressed a preference for the Supplier to manage the process for making the appointment with the customer.

Question 15 - Suppliers: would you find it useful to be notified of work that has been carried out on Category C incidents? DNOs: what issues do you see in notifying Suppliers where work has been undertaken on a Category C incident?

- 5.39 The Working Group noted that the majority of Distributors and Suppliers (including one Supplier that did not submit a response to the DCP 195 consultation but provided verbal feedback to the Working Group) do not feel that there would be merit in Suppliers being notified of work that has been carried out on Category C incidents. The Working Group therefore agreed that no further action on this suggestion should be taken.

Question 16 - Do you believe that any amendments are needed to the legal text to further accommodate IDNOs?

- 5.40 The Working Group reviewed the responses received to this question and agreed that no further amendments were required to the legal text in regards to accommodating Independent Distribution Network Operators (IDNOs).

- 5.41 It was observed that IDNOs have relatively new networks and thus the incident rate in their areas is likely to be lower.

Question 17 - In your view, should the DCP 195 legal text include any clauses regarding costs associated with activities to be recouped from the Supplier (such as the charge that may be applicable if the customer aborts an appointment) or does this sit outside of the scope of DCP 195 and if so please state how it should be addressed?

- 5.42 The following table summarises the responses to this question.

Respondent Type	Count of Respondents			
	No, as it is outside of the scope of DCP195	No, as the cost should not be recouped from the Supplier	Yes, the legal text should include such clauses	Total
DNO	4	0	2	6
Supplier	2	2	0	4
Total	6	2	2	10

- 5.43 The Working Group noted that the majority of respondents did not support including any clauses regarding costs associated with activities to be recouped from the Supplier within the DCP 195 legal text. Accordingly, the group agreed not to make any changes to the legal text regarding the recuperation of costs.

- 5.44 Whilst specific costs were not included with the DCP 195 legal text, it was noted in paragraph 30.5E.4 of the legal text that:

“where situations reported by the User (or its Meter Operator Agent) to the Company specify an asset condition code (as set out in Part 2 of Schedule [x]) which indicates a more serious situation than is actually the case, then the Company shall be entitled to levy Transactional Charges in accordance with the Relevant Charging Statement.”

Question 18 - Do you have any comments on the format and column headings of the Supplier Forecast Roll out plans reporting table, as provided in the DCP 195 legal text (Part 4 of the proposed new Schedule)?

- 5.45 The Working Group reviewed the responses to this question and, based on these responses, agreed to remove the reporting template from the DCP 195 legal text and provide it as a separate spreadsheet that includes all postcodes. The group noted that the template will need to be updated on a regular basis to capture new and amended postcodes.

Question 19 - Under the DCP 195 legal text it is proposed that the reports from the User (Supplier) are individually sent to each Company (DNOs). DNOs will then need to aggregate these reports from the individual suppliers. Would your preference be for there to be centralised collation of these reports?

5.46 The following table provided an overview of the responses to this question.

Respondent Type	Count of Respondents				
	Centralised Reporting	Individual Reporting	No Preference	Other	Total
DNO	3	2	0	1	6
Supplier	2	0	1	1	4
Total	5	2	1	2	10

5.47 Of the two respondents classed above as “other”, one suggested that centralised collation should be progressed by DNOs outside of the DCUSA and the other suggested that this area should be reviewed at a later date.

5.48 The Working Group noted that DNOs could decide outside of the DCUSA if they wished to pay for a central aggregator. It was agreed that the no changes should be made to the DCP 195 legal text and DNOs could pick this outside of the scope of the CP should they choose too.

Question 20a - A Master Registration Agreement (MRA) change has been drafted under which Distributors would be able to use a new flow to provide Suppliers and MOPs with advanced notice of the date the Distributor has agreed an appointment to complete works. This information would enable the Supplier to schedule a visit at the same time as the Distributor, which may enhance the customer experience. Do you agree such a flow should be introduced?

5.49 The following table summarises the responses to this question:

Respondent Type	Count of Respondents				
	Yes	No	No objections	Consider at a future date	Total
DNO	1	3	1	1	6
Supplier	3	1	0	0	4
Total	4	4	1	1	10

5.50 The Working Group agreed that Suppliers should contact Distributors as required, rather than use of the new MRA flow being mandated in the DCP 195 legal text. The

introduction of this flow is continuing to be developed under the MRA and so the Alternate to DCP 195 was raised by a Working Group member to place an obligation to notify the Supplier of the appointment date.

Question 20b - Do you agree that DCP 195 should introduce an SLA on distributors to send this flow within a reasonable timescale of making an appointment with the customer?

5.51 The Working Group noted that, although there was no consensus, the majority of respondents to this question agreed the flow should be sent within a reasonable timescale.

Question 20c - What do you believe this timescale should be set at?

5.52 The Working Group noted that, although there was no consensus, the majority of consultation respondents expressed a preference for setting this timescale at a maximum of 5 Working Days. Consequently, it was agreed that the DCP 195A legal text should say “as soon as reasonably practicable but no later than 5 Working Days after the appointment has been agreed.”

Question 20d - The Working Group is proposing that the obligation to send the flow would come into effect six months after the MRA change is approved, do you agree with this proposal?

5.53 The Working Group noted that, although there was no consensus, the majority of respondents agreed with this proposal. It was noted that DCP 195A proposes more than six months’ notice and it will tie in with the MRA release.

Question 21 - Are there any alternative solutions or matters that should be considered?

5.54 In response to this question one Distributor Party suggested that there would be merit in reconsidering the ‘2% threshold’ such that rather than being based on a four quarter forecast, it could be based on the lesser of either two quarters forecast data or the actual numbers of meters installed. For example, if the Supplier forecasts that it will carry out 100 jobs and actually only carries out 50 jobs then, rather than being required to carry out two interventions to meet the SLA, the Distributor would need to carry out one intervention to meet the SLA. This would avoid issues from over/under forecasting or over/under performance. The Working Group agreed that

there is merit in this suggestion and that it should be further considered during the post approval review of the CP.

- 5.55 Another DNO respondent suggested that the process for making appointments would be worthy of separate consideration by customer service experts. For example, how can the contact information and appointments be better managed? The Working Group noted that it had previously considered this area.

Question 22 - Do you have any other comments or issues that you would like the Working Group to consider?

- 5.56 Six respondents had comments in relation to this question. Having considered the comments from two respondents the Working Group agreed that the following should be included as part of the post approval review:

- Considerations as to whether there should be a shorter timescale for the resolution of category B situations
- A benchmarking exercise to see how close actual roll out volumes are to those forecasted

- 5.57 One DNO respondent suggested that under the proposed legal text there seems to be no opportunity to flag early that the volumes or areas being targeted are going to cause a problem in advance so that discussions can take place in an attempt to either amend the plan or smooth the impact. The Working Group considered this comment and noted that that DNOs will have the forecasts four quarters in advance and thus will have the opportunity to enter in to a dialogue with Supplies where problems in meeting the SLAs are envisaged, for example, where multiple Suppliers are targeting the same area at the same time.

- 5.58 Another DNO respondent highlighted their concern with the volume of work that the DCP 195 reporting requirements will place on DNOs. The Working Group noted this concern but agreed that the industry needs to work together to resolve issues.

- 5.59 One respondent suggested that the D-flow process for Category B incidents can be restrictive and suggested including an option in the legal text for different smart robust solutions that provide the data required where parties agree. The Working Group agreed with this suggestion and updated the DCP 195 legal text accordingly.

5.60 The final respondent to this question highlighted that DNOs are obliged (under draft licence conditions and the financial model handbook) to provide data to Ofgem on the total number of installations of smart meters and the total number of cases where it has been required to intervene, for each licence area. The respondent suggested that as part of DCP 195 there should be a requirement for Suppliers to report actual quantities of smart meters installed in order that DNOs can ensure the numbers submitted to Ofgem are consistent.

5.61 The group agreed that there may be merit in there being an obligation on Suppliers to share their smart meter installation reports that they provide to DECC with Distributors. The group discussed this area with Ofgem and was advised that the feedback Ofgem had received from market participants was that Distributors would prefer to use their own data as movements from one year to the next could affect DNO allowances.

6 WORKING GROUP ASSESSMENT OF DCP 195 FOLLOWING INDUSTRY CONSULTATION

6.1 After reviewing the consultation responses the Working Group discussed the Change Proposal.

6.2 The Working Group considered whether the Asset Condition Codes should be specified in both the MRA and the DCUSA or just in one code. It was agreed that to reduce the administrative burden of amending the Asset Condition Codes in two codes they should only be listed in the MRA and would only be subject to MRA governance.

6.3 The Working Group noted that MRA CP 3422 and CP 3411 had both been raised seeking to introduce a new industry data flow so that the Distributor can notify the Supplier of agreed and cancelled appointments. CP 3411 was withdrawn, the alternate was rejected but has subsequently been appealed by the proposer. Additionally MRA MIF 151 has also been raised which explores the possibility of providing DNO appointment information using an existing flow, the D0126. The group discussed whether use of this flow should be captured within the DCP 195 legal text and it was agreed that the legal text should not specify that this flow must be used. DCP 195 is therefore not impacted by the progression of this MRA Change. The Working Group updated the DCP 195 legal text to state that appointment information should be provided by the DNO to the Supplier when requested using a method agreed by the

Parties.

- 6.4 A Working Group member chose to raise an Alternative to DCP 195 (DCP 195A) under which it would be mandatory for the DNO to provide agreed appointment dates to the relevant Supplier and MOP using a data flow.
- 6.5 The Working Group agreed that it should be noted in the Change Report that Suppliers are subject to following Licence Conditions:
- Condition 43: Roll-out Reporting and Provision of Information to the Secretary of State
 - Condition 44: Roll-out Reporting, Setting and Achieving Annual Milestones, and Provision of Information to the Authority
- 6.6 These conditions facilitate the provision of Roll-out plans, annual milestones and the provision of information to the Authority where milestones have been missed. The detail of these Licence Conditions is provided in Attachment 7. The precise detail of the timings and content of the Roll-out plans have been consulted on recently by Ofgem and a decision on this is expected imminently. These licence conditions form the basis for the references in Clause 4.3 of the DCP 195 legal text.

7 POST APPROVAL REVIEW

- 7.1 The Working Group recognises that as more information on the smart meter rollout becomes available it may be necessary to refine the DCP 195 (or DCP 195A) legal text. The Working Group therefore recommends that a post approval review be held six months after Ofgem approval and then a further review be held six months after the SLAs take effect. These proposed dates may be subject to change. Topics for consideration during this review include:
- Is there any additional data available that can be used to assess whether 2% is a reasonable intervention rate?
 - Due to non-smart meter installations the volumes for smart meters will not be a true reflection of the volume of meters being changed. The post approval review should consider whether any amendments to the DCP 195 legal are required to accommodate this.

- The review should include an assessment of the granularity and the timescales of the reporting.
- Consideration should be given to the suggestion that the 2% threshold be set on the lower of the forecast or the actual numbers of meters installed. For example, if the Supplier forecasts 100 jobs and actually only does 50 jobs, then rather than the distributor being required to do 2 interventions to meet the SLA the Distributor only has to do one.
- Consideration should be given to reducing the 40 day SLA for category B situations, as the faster the customer can be visited the better that customer's experience of the roll out will be.
- Should a process be added to the legal text that would allow parties to escalate non-compliance issues to the DCUSA Panel?
- Should "smart" be removed from the reporting requirements, i.e. require reporting on all roll outs forecast, not just smart meters?
- Should the requirement for the Distributor to report the number of times in each quarter that it has attended an incident at a premises within three months of a smart meter being installed be amended to six months?
- For DCP 195A, is the timescale of two Working Days for notifying agreed appointment dates to the Supplier reasonable?

8 PROPOSED LEGAL TEXT

- 8.1 The proposed legal drafting of both DCP 195 and DCP 195A has been considered by the Working Group, and reviewed by Wragge & Co. The DCP 195 text is provided as Attachment 1 and the DCP 195A text is provided as Attachment 2
- 8.2 The legal text for both CPs introduces new definitions to DCUSA Section 1A and amends the text in Clause 30.5. The text also introduces a new DCUSA Schedule which defines the Network SLAs and associated reporting requirements.
- 8.3 DCP 195 and DCP 195A differ in legal text paragraph 30.5E.5 only. All other text for both CPs is identical.

9 EVALUATION AGAINST THE DCUSA OBJECTIVES

- 9.1 The Working Group considers that the following DCUSA Objectives are better facilitated by DCP 195 and DCP 195A.

General Objective One – ‘The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks’

- 9.2 **Working Group view on DCP 195:** The Change Proposal better meets DCUSA General Objective One by ensuring that network issues reported to the network companies are rectified within agreed timescales therefore contributing to the efficiency of the network.

- 9.3 **Working Group view on DCP 195A:** The Change Proposal better meets DCUSA General Objective One by ensuring that network issues reported to the network companies are rectified within agreed timescales therefore contributing to the efficiency of the network.

General Objective Two – ‘The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity’

- 9.4 **Working Group view on DCP 195:** The CP better meets General Objective Two as the proposal will help Suppliers in managing customer expectations with regard to fault resolution. This will assist those Suppliers who are carrying out meter exchanges to support specific customer propositions and therefore help to improve competition in the electricity supply market.

- 9.5 In addition, DCP195 will better enable market participants to comply with their obligations under the Smart Metering Installation Code of Practice (SMICoP) Clauses 1.1 and 3.10:

Clause 1.1: *“The aim of the Code is for the Customer experience of the installation process to be positive, to protect Customers during the process, for Customers to be given appropriate assurances over what will take place during the installation process, and to deliver Programme benefits, including long term behavioural changes”*

Clause 3.10: *“For an installation that cannot be commenced or completed during the Installation Visit, it is each Member’s responsibility to ensure that;*

3.10.1 The Customer is made aware of the reason(s) the installation could not be completed, for example if the site inspection highlighted areas for concern;

3.10.2 *The site is left in a safe state before departing; and*

3.10.3 *They have processes in place for re-arranging the Installation Visit.”*

9.6 **Working Group view on DCP 195A:** The CP better meets General Objective Two as the proposal will help Suppliers in managing customer expectations with regard to fault resolution. This will assist those Suppliers who are carrying out meter exchanges to support specific customer propositions and therefore help to improve competition in the electricity supply market.

9.7 In addition, DCP195A will better enable market participants to comply with their obligations under the Smart Metering Installation Code of Practice (SMICoP) Clauses 1.1 and 3.10:

Clause 1.1: *“The aim of the Code is for the Customer experience of the installation process to be positive, to protect Customers during the process, for Customers to be given appropriate assurances over what will take place during the installation process, and to deliver Programme benefits, including long term behavioural changes”*

Clause 3.10: *“For an installation that cannot be commenced or completed during the Installation Visit, it is each Member’s responsibility to ensure that;*

3.10.1 *The Customer is made aware of the reason(s) the installation could not be completed, for example if the site inspection highlighted areas for concern;*

3.10.2 *The site is left in a safe state before departing; and*

3.10.3 *They have processes in place for re-arranging the Installation Visit.”*

9.8 A copy of the SMICoP is provided as Attachment 8.

General Objective Three – ‘The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences’

9.9 **Working Group view on DCP 195:** The CP better meets General Objective 3 as Licence Condition 21 “The Distribution Code” places obligations on licensees to ensure licensees operate their network in an efficient, co-ordinated and economical manner. The proposed changes will assist network owners in ensuring these obligations are met.

9.10 **Working Group view on DCP 195A:** The CP better meets General Objective 3 as

Licence Condition 21 “The Distribution Code” places obligations on licensees to ensure licencees operate their network in an efficient, co-ordinated and economical manner. The proposed changes will assist network owners in ensuring these obligations are met.

General Objective Five - Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators

9.11 Two main EU directives are providing the drivers for smart metering in Europe, as referenced in the European Smart Metering Landscape Report:

“With the requirements of Art. 13 of the so-called Energy Services Directive (2006/32/ED, ESD) and the adoption of the Directive on the internal electricity market (2009/72/EC), it became clear that the modernisation of the European meter infrastructure and the introduction of intelligent metering systems will have to happen.”

9.12 **Working Group view on DCP 195:** DCP 195 better facilitates Objective five by supporting the EU’s requirement to install smart meters.

9.13 **Working Group view on DCP 195A:** DCP 195A better facilitates Objective five by supporting the EU’s requirement to install smart meters.

10 IMPLEMENTATION

10.1 DCP 195 and DCP 195A are classified as a Part 1 matters and therefore will go to the Authority for determination after the voting process has completed.

10.2 The proposed implementation date for both the DCP 195 and DCP 195A legal text is six months after Ofgem approval. Reporting by Suppliers on their smart meter roll-out forecasts and by Distributors on their performance against the SLAs would then commence the first quarter after the date that the legal text is implemented. The requirement to rectify network issues within the SLA timescales would take effect 12 months after supplier reporting commences.

10.3 Under DCP 195A the requirement on DNOs to notify Suppliers and MOPs of agreed appointment dates would commence from 27 February 2015 (under DCP 195 there is no such requirement).

11 WORKING GROUP CONCLUSIONS

- 11.1 The Working Group has discussed the proposed amendment to DCUSA at length. The group unanimously agrees that the legal text developed for both DCP 195 and DCP 195A better facilitates the DCUSA Objectives. The Working Group does not have a consensus view as to whether one proposed solution better meets the objectives over the other.
- 11.2 The Working Group agrees that the DCP 195 and its alternative should be issued for industry voting.

12 ENGAGEMENT WITH THE AUTHORITY

- 12.1 Ofgem has been fully engaged throughout the development of DCP 195 and DCP 195A as a member of the Working Group.

13 ENVIRONMENTAL IMPACT

- 13.1 In accordance with DCUSA clause 11.14.6, the Working Group assessed whether there would be a material impact on greenhouse gas emissions if DCP195 or its alternative were implemented. The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of DCP 195 or DCP 195A.

14 PANEL RECOMMENDATION

- 14.1 The Panel approved this Change Report on 18 June 2014. The Panel considered that the Working Group had carried out the level of analysis required to enable Parties to understand the impact of the proposed amendments and to vote on DCP 195 and DCP 195A.
- 14.2 The timetable for the progression of the Change Proposals is set out below:

Activity	Date
Change Report approved by DCUSA Panel	18 June 2014
Change Report issued for voting	20 June 2014
Voting closes	4 July 2014
Change Declaration	8 July 2014
Authority Decision	12 August 2014
CP Legal Text Implemented	12 February 2015
Supplier smart meter roll-out forecasts and Distributor SLA performance Reporting Commences	1 st quarter after 12 February 2015
Requirement to rectify network issues within the SLA	1 April 2016

timescales commences	
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15 NEXT STEPS

- 15.1 Parties are invited to consider the proposed amendments (Attachment 1 and Attachment 2) and submit their votes using the Voting form (Attachment 3) to DCUSA@electralink.co.uk by **4 July 2014**.
- 15.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA by email DCUSA@electralink.co.uk to or telephone 020 7432 2842.

ATTACHMENTS:

- Attachment 1 - DCP 195 Legal Text
- Attachment 2 – DCP 195A Legal Text
- Attachment 3 – DCP 195 Voting Form
- Attachment 4 – Asset Condition Codes
- Attachment 5 – Ofgem DCP 153 Decision Letter
- Attachment 6 – DCP 195 Consultation Document and Responses
- Attachment 7 – Supplier Licence Conditions Extract
- Attachment 8 – Smart Metering Installation Code of Practice (SMICoP)