

DCP 307 Working Group Meeting 06

27 June 2018 at 10:00

Skype Meeting / Web-Conference

Attendee	Company
Working Group Members	
Claire Towler [CT]	SSE
Frank Welsh [FW]	UKPD
Haydn Wyllis [HW]	SSE
Stacey Buck [SB]	BU-UK
Observers	
George Huang [GH]	Ofgem
Code Administrator	
Joe Underwood [JU] (Chair)	ElectraLink
Huw Neyroud [HN]	ElectraLink
Dylan Townsend (DT1) (Technical Secretariat)	ElectraLink

Apologies	Company
Peter Waymont [PW]	UKPN
Donna Townsend [DT]	ESPUG

1. Administration

- 1.1 The Chair welcomed the members to the meeting.
- 1.2 The Working Group reviewed the “Competition Law Do’s and Don’ts”. All Working Group members agreed to be bound by the Competition Laws Do’s and Don’ts for the duration of the meeting.
- 1.3 The Working Group reviewed the minutes from the previous meeting and agreed that the minutes were a fair and accurate representation of the discussions held.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review and the output of the actions that had been taken during the review of consultation responses and to agree any next steps for progressing DCP 307.

3. Discussion On Actions Taken During Review Of Consultation Responses

- 3.1 The Secretariat noted that the output of some actions had been provided to the Working Group as part of the meeting pack that had been circulated to the Working Group prior to the meeting. The Working Group decided to review those documents first and the groups discussion is set out below.
- 3.2 In respect of Action 04/05 which is set out below, the Chair noted the Secretariat had followed up the action and had received a response which was read out to the group and set out below:

ACTION: 04/05	Ask the respondent who wished for their responses to remain confidential for clarity on their answer to question two, specifically the following: “The change would impose a limitation how the IDNO’s and suppliers can innovate to compete and keep costs low.”
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“If this change was successful we would have to pay ElectraLink costs. We would be forced to use this service without the opportunity to look at any other innovative ways of doing so. We currently choose not to use this solution due to the high costs it incurs. This effectively introduces a barrier to future methods and future technologies from being implemented. These costs and this element of the service is currently in our control, if it is taken out of our control we cannot innovate away from it and introduce a cheaper or better alternative. We believe this is just another barrier to competition.”

- 3.3 Some members of the Working Group agree with the confidential respondents’ views above as provided as a result of the action.
- 3.4 In respect of Action 04/07, 05/01, 05/03 and 05/07, the Chair noted that the Secretariat had followed up with the commercial arm of ElectraLink and had been provided with responses to each question. It was noted that these responses had been collated into a document and circulated to the Working Group.

ACTION: 04/07	Secretariat to ask ElectraLink what general information can be made available regarding the pricing for providing the D2021 flow service and any other points made throughout the responses that Parties have highlighted. This action is to be completed prior to the next meeting.
ACTION: 05/01	Secretariat to confirm internally within ElectraLink, what the process is with regard to the UK Power Distribution’s response to Question 12. Specifically, if the D2021 and D2026 products are a combined offering or whether you can have one and not the other.
ACTION: 05/03	Secretariat to obtain information internally within ElectraLink regarding the governance arrangements currently used or that could be used in respect of changes to the structure and pricing of the flow.
ACTION: 05/07	Secretariat to confirm internally within ElectraLink, if there is a belief that 6 months is a sufficient enough timeframe for both ElectraLink and Parties to implement systems and complete contract negotiation with a number of Parties at the same time.

- 3.5 The Working Group noted the responses provided by ElectraLink and discussed their concerns around the lack of transparency around the pricing of the service for the D2021 flow. It was noted that an example pricing structure had been provided to the Working Group but that ElectraLink had specified that this be treated confidentially and as such could not be circulated outside of the Working Group.

- 3.6 In respect of Action 04/08, GH had circulated an email to the Working Group that highlighted some areas that the Working Group would need to address if it were to proceed to the stage of submitting a Change Report.

ACTION: 04/08

Ofgem representative to look into whether the authority would be able to make determinations should this change be introduced in its current form.

- 3.7 The Working Group agreed that the information contained in the email was of real benefit to them and that it should be used as a reference point for future discussions.
- 3.8 Members of the Working Group sought clarity on what the use of the word 'customer' was intended to mean in this context as the word can have varied meanings. GH took an action to confirm what the intent of the word 'customer' is in the context of the email and DCP 307.

ACTION – 06/01: GH confirm what the intent of the word 'customer' is in the context of the email and DCP 307.

- 3.9 The Working Group discussed their views as to whether this CP continue with its current intent in light of the areas highlighted by Ofgem and noting that the intent as it is currently worded is restrictive in its nature. This led into a wider discussion on the merits of continuing to progress DCP 307, more specifically the option of raising an alternate or giving consideration to withdrawing DCP 307 and then raising a new CP with a broader intent and scope.
- 3.10 The Working Group agreed that as a basis for further progression, they should use the bullet points contained in the email circulated by GH that detail the areas Ofgem would want covered off in any Change Report submitted to them for decision. It was noted that these areas have been identified, in light of the concerns raised in responses to the consultation. These bullet points included below:
- there is a problem of IDNOs' billing arrangements being very costly and inefficient for suppliers to manage,
 - mandating use of D2021 resolves that problem,
 - there are no alternatives which better facilitate competition and
 - IDNOs are not placed at a disadvantage because of the costs, governance arrangements and/or terms and conditions associated with using D2021.
- 3.11 The Working Group agreed that to cover off these areas in an appropriate level of detail and given the narrow intent of DCP 307 thought that this would be best done via a new CP and thus to withdraw DCP 307 from the Change Control Process. It was discussed that any new CP would need to be much broader in its intent and scope so that multiple options could be considered instead of only one. The Proposer noted that this is acceptable but that the intent should still be specific enough to ensure that the desired end result can be achieved. It was noted that the desired end result is that all Parties, possibly with some limited exclusions, would use the same method for issuing invoices and remittances.
- 3.12 The Working Group questioned what process needs to be followed for withdrawal of a CP, to which the Secretariat noted that the first step is written confirmation from the Proposer is to be issued, which is to include rationale for the withdrawal. Once this written confirmation is received, the Secretariat

will issue a notification to Parties that details their ability to adopt/sponsor the CP and if no response is received with that period then the CP will be officially withdrawn.

- 3.13 The Proposer noted that it would be their preference to have a few potential methods for issuing invoices and remittances so that these could be assessed by a new Working Group. It was further noted that other methods should be able to be suggested by the Working Group and that the intent of the new CP should be broad enough to cover this possibility. The Secretariat noted that they would be happy to work with the Proposer to develop a CP form that contains enough background information from this and other relevant changes so as to give any new Working Group the information they need to be able to progress as efficiently as possible.
- 3.14 The Chair discussed the possible next steps which included completing the withdrawal process alongside the drafting of the new CP form. The Chair highlighted that one potential option is to issue the draft CP form to the Standing Issues Group (SIG) so that a discussion can be had around any potential methods for issuing invoices and remittances.
- 3.15 The Secretariat noted as this is likely the last meeting of this Working Group, that it would be a good idea for the group to officially sign off the Collated Consultation Responses document that contains the Working Group's comments. It was explained that this ensures any loose ends that are able to be tied up are tied up. The Secretariat suggested that the document be issued with the minutes with a request for the group to review and provide any final comments prior to it being issued as a final version.

4. Review Of Draft Legal Text

- 4.1 It was noted that due to the discussions held during the previous agenda item, there was no need to review the draft legal text.

5. Update Work Plan

- 5.1 It was noted that due to the discussions held during the third agenda item, there was no need to review or update the Work Plan.

6. Agenda Items for the Next Meeting

- 6.1 It was noted that due to the discussions held during the third agenda item, there was no need to agree to any agenda items for the next meeting.

7. Any Other Business

- 7.1 There were no items of any other business and the Chair closed the meeting.

8. Attachments

None

APPENDIX 1 – ACTIONS

New and open actions

Ref.	Action	Owner	Update
04/01	Demonstrate that this change is not seeking to correct “non-existent non-compliance”, in any further documentation issued.	Working Group members	03/05/2018 – Ongoing 27/06/2018 – Ongoing: tied together with other ongoing actions to be completed when drafting further documents
04/02	Explore the outcome of DCP 145 and highlight findings in any further documentation issued.	Working Group members	03/05/2018 – Ongoing 27/06/2018 – Ongoing: tied together with other ongoing actions to be completed when drafting further documents
04/03	Carry out a review of DCP 111 and include any findings in any further documentation issued.	Working Group members	03/05/2018 – Ongoing 27/06/2018 – Ongoing: tied together with other ongoing actions to be completed when drafting further documents
05/02	Investigate if there is a precedent in DCUSA or other industry codes for similar arrangements for compliance with something which is not change managed in open governance.	Working Group members & ElectraLink	27/06/2018 – Ongoing: tied together with other ongoing actions to be completed when drafting further documents
05/04	Give due consideration to the following view set out in the Scottish Power Energy Networks response to Question 15: <i>“this change proposal could stop IDNO entering the market and therefore reduce competition.”</i>	Working Group members	27/06/2018 – Ongoing: tied together with other ongoing actions to be completed when drafting further documents
05/05	Give due consideration to the following comment from ESP Electricity Ltd response to Question 15: <i>“conflict between the DCUSA and the DUoS E-billing Agreement should changes be made in either agreement that are not mirrored in the other.”</i>	Working Group members	27/06/2018 – Ongoing: tied together with other ongoing actions to be completed when drafting further documents
05/06	Reflect the potential impact to host DNOs with regards to RIIO-2 discussions in future consultations and/or the Change Report.	Working Group members	27/06/2018 – Ongoing: tied together with other ongoing actions to be completed when drafting further documents

05/08	Consider the The Electricity Network Company's response to Question 18 when undertaking further developing the solution and when drafting any RFI or consultation.	Working Group members	27/06/2018 – Ongoing: tied together with other ongoing actions to be completed when drafting further documents
06/01	GH confirm what the intent of the word 'customer' is in the context of the email and DCP 307.	George Huang	

Closed actions

Ref.	Action	Owner	Update
04/05	Ask the respondent who wished for their responses to remain confidential for clarity on their answer to question two, specifically the following: <i>"The change would impose a limitation how the IDNO's and suppliers can innovate to compete and keep costs low."</i>	ElectraLink	03/05/2018 – Ongoing 27/06/2018 - Completed: response provided to Working Group
04/07	See what general information can be made available regarding the pricing for providing the D2021 flow service and any other points made throughout the responses that Parties have highlighted. This action is to be completed prior to the next meeting.	ElectraLink	03/05/2018 – Ongoing 27/06/2018 - Completed: document provided to the Working Group
04/08	Look into whether the authority would be able to make determinations should this change be introduced in its current form.	George Huang	03/05/2018 – Ongoing 27/06/2018 - Completed: email provided to the Working Group
05/01	Clarify internally, what the process is with regard to the UK Power Distribution's response to Question 12. Specifically, if the D2021 and D2026 products are a combined offering or whether you can have one and not the other.	ElectraLink	27/06/2018 - Completed: document provided to the Working Group
05/03	Obtain information internally regarding the governance arrangements currently used or that could be used.	ElectraLink	27/06/2018 - Completed: document provided to the Working Group
05/07	Ask internally to confirm if there is a belief that 6 months is a sufficient enough timeframe for both ElectraLink and Parties to implement systems and complete contract negotiation with a number of Parties at the same time.	ElectraLink	27/06/2018 - Completed: document provided to the Working Group