

DCP 307 Working Group Meeting 01

01 November 2017 at 10:00am

Web-Conference

Attendee	Company
Working Group Members	
Claire Towler [CT]	SSE
Donna Townsend [DT]	ESPUG
Frank Welsh [FW]	UKPD
George Huang [GH]	Ofgem
Haydn Wyllis [HW]	SSE
Peter Waymont [PW]	UKPN
Thomas Cadge [TC]	BU UK
Code Administrator	
Dan Fittock [DF] (Chair)	ElectraLink
Joe Underwood [JU] (technical secretariat)	ElectraLink

Apologies	Company

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 Terms of Reference for the meeting were reviewed and agreed.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting is to review and analyse the Change Proposal (CP) and agree the preliminary consultation questions.

3. Overview of DCP 307

- 3.1 The Proposer provided an overview of DCP 307 explaining that the CP seeks to amend the billing procedure for IDNOs. At present, DNOs are mandated to bill suppliers via the D2021 EDI over the Data Transfer Network (DTN). This allows for a standardised format of invoices, facilitates batch processing and requires minimal manual intervention. Additionally, the use of the DTN ensures invoice data is kept secure.
- 3.2 The Proposer explained that, in their experience, where IDNOs are not mandated to use the D2021 flow and instead opt to send invoices manually, this results in a wider range of formats leading to more costly manual processing and a greater potential for human error.
- 3.3 It was highlighted by the Proposer that they believe the intention of clause 21.2B of the DCUSA was to apply electronic invoicing to all Distribution companies and that this CP seeks to add clarity to the DCUSA to ensure IDNOs also comply. The purpose of DCP 307 is therefore to make the legal text more explicit. The Proposer believes that DCP 307 will therefore drive efficiencies and cost reductions for consumers.

4. Review of DCP 307

- 4.1 A Workgroup Member asked whether DCP 307 is likely to have an onerous impact on smaller suppliers as they may be required to develop systems with the ability to receive these data flows. Additionally, another Workgroup Member suggested that smaller IDNOs are equally as impacted as small suppliers. The Workgroup discussed where the cost-benefit to industry was and if there should be a 'threshold'. It was agreed that a consultation question be asked to industry to determine if a threshold is appropriate and, if so, what the threshold should be. Another consultation question was agreed upon asking if the impact of mandating D2021 flows would result in different cost-benefits to suppliers and IDNOs.
- 4.2 Workgroup members agreed that DCP 307 could be burdensome on Parties who currently do not use the D2021 billing process. It was agreed a further consultation question be developed asking the potential costs to systems the CP could have and the time it would take individual Parties to implement.
- 4.3 A Workgroup Member asked whether mandating the D2021 flows would require DCP 307 to also address D2026 flows. The Chair informed the Workgroup of the ElectraLink business rule regarding the D2026 flow (the full document can be found in Attachment 2):

Business Rule:

1. *Distribution companies to retain the right to send or receive paper invoices and be paid on existing DCUSA terms.*

2. Suppliers to send D2026 Remittance File by email as necessary; determined by a Supplier's site (and hence E-Billing Service connections) being subject to a DR scenario.

The Workgroup agreed that any change made addressing the D2021 flow may also need to encompass the D2026 flow. It was agreed that this question should be asked to industry.

- 4.4 A Workgroup Member asked if CP should address DCP 145 which was rejected by The Authority in 2013. The Working Group reviewed the Ofgem decision letter for DCP 145 and found that Ofgem rejected this change as the agreements around electronic billing did not fall under DCUSA. However, it was noted that the intent of DCP 145 is different to that of DCP 307. Given DCP 307 has a similar defect to DCP 145, the Proposer agreed to draft some text which outlines the differences between the two, and what has changed in the market since DCP 145 was raised, e.g. smaller suppliers and a greater number of suppliers and Distribution Parties.

ACTION: 01/01 – The Proposer to draft text which outlines the differences between DCP 307 and DCP 145

ACTION: 01/02 – The Secretariat to draft the consultation with additional questions agreed by the Workgroup

5. Work Plan

- 5.1 The Working Group agreed the next steps as follows:

- The Proposer to draft text which outlines the differences between DCP 307 and DCP 145;
- The Secretariat to draft the consultation to be sent to industry;
- Implementation date to change to 6-months following Authority decision; and
- The Secretariat to circulate a Doodle Poll for the next working group meeting

- 5.2 The DCP 307 Work Plan has been updated to reflect these next steps and is provided as Attachment 1.

ACTION: 01/03 – The Secretariat to circulate a Doodle Poll to determine the date of the next meeting

6. Agenda Items for the Next Meeting

- 6.1 Review the draft consultation ahead of it being circulated to industry.

7. Any Other Business

- 7.1 There were no items of AOB and the Chair closed the meeting.

8. Date of Next Meeting: Wednesday, W/C 11th December 2017

- 8.1 The Working Group agreed meet the week commencing the 11th December 2017. ElectraLink to send a Doodle Poll to Members to determine the exact date.

9. Attachments

- Attachment 1 – DCP 307 Workplan
- Attachment 2 – D2021 and D2026 Business Rules

New and open actions

Action Ref.	Action	Owner	Update
01/01	The Proposer to draft text which outlines the differences between DCP 307 and DCP 145	The Proposer	
01/02	The Secretariat to draft the consultation with additional questions agreed by the Workgroup	ElectraLink	
01/03	The Secretariat to circulate a Doodle Poll to determine the date of the next meeting	ElectraLink	