

DCP 282 Working Group Meeting

27 January 2017 at 10:00am

Web-conference

Attendee	Company
Working Group Members	
Adam Pearce [AP] (teleconference)	ESP Electricity
Andy Halfin [AH] (teleconference)	Ofgem
Andrew Sherry [AS]	ENWL
Angus Rae [AR] (teleconference)	SSE Networks
Donna Townsend [DT]	ESP Electricity
Mark Burton [MB]	UK Power Networks
Nicola Dew [ND] (teleconference)	Northern Powergrid
Neil Fitzsimons [NF]	GTC
Morven Hunter [MH] (teleconference)	Energetics
Peter Waymont [PW]	UK Power Networks
Stephen Perry [SP]	Ofgem
Thomas Cadge [TC] (teleconference)	The Electricity Network Company
Tom Chevalier [TC]	Power Data Associates
Walter Hood [WH]	Scottish Power
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Claire Hynes [CH] (Secretariat)	ElectraLink

Apologies	Company
Working Group Members	
Mike Hawkins	Western Power Distribution

Welcomes and Apologies

The Chairman noted the welcomes and apologies for this meeting.

Administration

- 1.1 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.
- 1.2 The Working Group reviewed the minutes of the last meeting and approved the minutes with a few minor amendments as a fair and accurate representation of the discussions held.

2. Review of the DCP 282 Consultation Responses

- 2.1 The Working Group walked through and reviewed the comments on the DCP 282 consultation which acts as Attachment 1.
- 2.2 On review of responses to question 1, the Working Group discussed the fact that double counting is occurring already which means settlements are inaccurate when they are reported in to the BSC audit every year. These known instances where double counting takes place will be significantly reduced by this change.
- 2.3 The Working Group discussed inter-distributor billing and the fact that the treatment of the end revenues was ignored in the trials. Where the revenue is low the cost of recovering the revenue outweighs the benefit to the IDNO but this may not be the case in the future. The group discussed whether a de-minimus level should be introduced above which the IDNO could recover revenue. One member suggested that a process could be put in place to identify the IDNO networks such as an internal MPAN to identify the UMS component. Members considered that different IDNOs may want different thresholds. Under proposed new Clause 46.A.2 the Working Group agreed to not introduce de-minimus values with a proviso that there is a backstop on billing arrangements.
- 2.4 Members considered the proposal that where the EDNO bill is not recovered then the DNO could work out the EAC and margins to industry prices and offset it against the DUoS income so that when DNO allowed revenue is reviewed it would be neutral in the Price Control. The Working Group agreed to address this point of inter-distributor billing in the legal text.

- 2.5 The Working Group noted that the majority of respondents preferred for this solution to be elective as opposed to mandatory. The Working Group highlighted that respondents to the consultation unanimously agreed that it is the EDNOs responsibility to validate the inventory.
- 2.6 Members considered whether Service Level Agreements (SLAs) should be put in place for EDNOs to verify the content of the customer inventory submissions and agreed that it was already covered by the audit of the licence carried out by the Balancing and Settlement Code (BSC) arrangements. The Working Group agreed it was not necessary to introduce SLAs.
- 2.7 Members considered respondent's views on debt recovery and agreed to cover off the scope of indemnification of the DNO by the EDNO in the legal text.
- 2.8 One respondent advised that the *"DNO will be including these amounts through their normal DUoS billing they will contribute to the Suppliers' Indebtedness Ratios as defined in Schedule 1 of DCUSA and so we think that any risk of supplier default will be dealt with by this as part of business as usual"*. The Working Group agreed that any debt that is outstanding, the EDNO will be notified by the DNO and to consider this point on the review of the legal text.
- 2.9 The Working Group considered a hypothetical scenario where a customer on an IDNO networks decides they want their inventory on a EDNO inventory, the IDNO would disconnect the MPAN leaving the data on the DNO inventory. In this scenario would the BSC apply to IDNOs as there is no data associated under the IDNO. Members questioned whether to audit it, the BSC would go to the DNO. Members noted that the BSC had gone through legal council on this change. The Working Group agreed to ask the DCUSA legal advisor to consider this scenario.

ACTION 03/01: ElectraLink to submit the proposed scenario to the legal advisor for consideration.

- 2.10 The Working Group reviewed the DCP 282 draft legal text and agreed for the secretariat to send the updated legal text to the Working Group with an action to walk through Section 2A.

ACTION 03/02: The Working Group to review Section 2A of the legal text.

- 2.11 The following attendees agreed to clarify their companies position in relation to the points made:
- Under question 2 which asked whether parties were supportive of the principles of the change, ND agreed to confirm the industry change that were alluding to by their comment.
 - Under question 3, MH agreed to clarify their point on inter distributor billing.
 - Under question 5, the Working Group asked the secretariat to confirm why the anonymous respondent wanted the solution to be mandated rather than elective.
 - Under question 7, the Working Group requested how an SLA would reduce inaccuracies over and above the existing obligations. ND agreed to seek clarification internally.

ACTION 03/03: ElectraLink, MH and ND to clarify the responses identified to the Working Group.

2.12 Members requested that the secretariat raise the correction of Clause 42.14 to 42.13 and the definition to the housekeeping log at the next DCUSA Panel.

ACTION 03/04: Raise the correction of Clause 42.14 to 42.13 and the definition to the housekeeping log at the next DCUSA Panel.

Next Steps

- 1.1 The DCP 282 Working Group agreed the next steps as follows:
- The draft legal text to be circulated to the Working Group for review ex-committee;
 - ElectraLink to draft the change report by the 1 February 2017 for circulation to the Working Group for review.
 - Working Group to meet in February 2017 to consider the change report.

ACTION 03/05: All

AOB

- 4.1 There were no items of any other business.

Attachments

Attachment 1 - DCP 282 Consultation Collated Responses with Working Group Comments

Attachment 2 – DCP 282 Draft Legal Text

New and open actions

Action Ref.	Action	Owner	Update
03/01	Submit the proposed scenario to the legal advisor for consideration.	ElectraLink	
03/02	Review Section 2A of the legal text.	Working Group	
03/03	Clarify the responses identified to the Working Group.	ElectraLink, MH and ND	
03/04	Raise the correction of Clause 42.14 to 42.13 and the definition to the housekeeping log. at the next DCUSA Panel	ElectraLink	
03/05	<ul style="list-style-type: none"> • The draft legal text to be circulated to the Working Group for review ex-committee; • ElectraLink to draft the change report by the 10 February 2017 for circulation to the Working Group for review. • Working Group to meet in February 2017 to consider the change report 	All	

Closed actions

Action Ref.	Action	Owner	Update
02/01	Reference BSCP 1414 in the background section of the consultation and state its intent and its outcome.	ElectraLink	Completed.
02/02	<p>Add the question <i>“The Working Group are interested in Parties views on whether you believe that the DNO is recovering the revenue on behalf of the EDNO?</i></p> <p><i>(a) If yes, how should this be dealt with in the price control?</i></p> <p><i>(b) If yes, should it be dealt with through inter-distributor billing?”</i></p> <p>to the consultation and response form</p>	ElectraLink	Completed.
02/03	<ul style="list-style-type: none"> • Add and check attachment numbers are consistent; • Check that the questions align with the updated text in the document; and 	ElectraLink	Completed.

	Update the consultation timetable in line with the DCP 282 Work Plan.		
02/04	<ul style="list-style-type: none"> • For the Working Group to review a clean version of the DCP 282 Consultation prior to its issue to Parties; • The consultation to be issued to parties with responses expected by the 13 January 2017; and the • Working Group to meet in January 2017 to consider the consultation responses. 	ElectraLink	Completed.