

DCP 259 Working Group Minutes

Meeting Name	DCP 259 Working Group
Meeting Number	03
Date	15 January 2016
Time	10:00am
Venue	Web-Conference

Attendee	Company
Peter Turner [PT] (Chair)	Northern Powergrid
Brian Hoy [BH]	ENWL
Catherine Falconer [CF]	SSE
Fruzsina Kemenes [FK]	RWE Innogy UK LTD
John Morris [JM]	Ofgem
Neil Magrath [NM]	UK Power Networks
Paul McGimpsey [PM]	Scottish Power
Tim Hughes [TH]	Western Power Distribution
Wayne Mullins [WM]	National Grid
Claire Hynes [CH] (Secretariat)	ElectraLink

1 ADMINISTRATION

- 1.1 The minutes of the last meeting were approved with minor amendments.
- 1.2 The Working Group updated the open and closed actions as set out in Appendix A.
- 1.3 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.

2 REVIEW OF THE DCP 259 DRAFT LEGAL TEXT

- 2.1 The Working Group considered that DCUSA Parties are already obligated to comply with the CUSC which ensures that all of the detail set out in CMP 223 does not need to be reflected in this CPs draft legal text. The purpose of this change is to introduce National Grid’s security mechanism. The Working Group reviewed four versions of draft legal text and agreed that they held a preference for draft legal text D. PM agreed to reword Clause 5.44D of the draft legal text.

ACTION 03/01: PM

- 2.2 A concern was raised that the DNO was taking the risk on whether they would be reimbursed through the proposed CMP 223 security mechanism rather than the Customer who defaulted.
- 2.3 WM provided an example where the total liability is £2 million and the DNO holds a security of £900,000. The other £1.1 million of the project is not secured by the DNO. The DNO pays £2 million to National Grid as the Customers company has become insolvent and then submits a claim form at a later date showing that they have sufficiently chased the debt but not been paid and then receive the refund of £1.1 million. Customers were concerned about two steps in the process:
 - the percentage probability of National Grid approving the claim and the DNO getting reimbursed ;and

- if at Ofgem's annual review they disapprove of National Grid's decision to reimburse a DNO and refuse to provide the funding to National Grid to cover it, can National Grid claim it back from the DNO.
- 2.4 The Working Group agreed to recommend to the DCUSA Panel that this change is treated as a Part 1 Matter under DCUSA Clause 9.4 as:

9.4.2 "it is likely to have a significant impact on competition in one or more of:

(A) the generation of electricity;

(B) the distribution of electricity;

(C) the supply of electricity; and

(D) any commercial activities connected with the generation, distribution or supply of electricity; and

9.4.3 it is likely to discriminate in its effects between one Party (or class of Parties) and another Party (or class of Parties)".

- 2.5 The Working Group considered that the mechanism introduced by CMP 223 would contain risk for a DNO Party and preferred for this change to be subject to an Authority decision.

ACTION 03/02: ELECTRALINK

- 2.6 The Working Group discussed the CMP 223 draft legal text with specific reference to the new definitions being added to CUSC section 11 on page 148 and Users in the capacity of a Directly Connected Distribution System on page 210 and 211. The Working Group agreed to undertake further reading on CMP 223 ahead of the next meeting.

ACTION 03/03: ALL

- 2.7 WM agreed to provide an overview of the steps in the refund process of National Grid's security mechanism.

ACTION 03/04: WM

- 2.8 ElectraLink and the chair agreed to provide a first draft of the DCP 259 change report for the review of the Working Group.

ACTION 03/05: ELECTRALINK & PT

3 NEXT STEPS

- 3.1 The DCP 259 Working Group agreed the next steps as follows:
- The Working Group agreed to meet on the 27 January 2016 at 2pm to review and finalise the draft legal text.

4 ANY OTHER BUSINESS

- 4.1 There were no items of any other business.

5 NEXT MEETING

5.1 The next meeting is scheduled for 2pm on 27 January 2016 via web-conference.

ATTACHMENTS

- Attachment 1 – DCP 259 Draft Legal Text D with Working Group Comments

APPENDIX A: SUMMARY OF ACTIONS**NEW AND OPEN ACTIONS**

Action Ref.	Action	Owner	Update
03/01	PM agreed to reword Clause 5.44D of the draft legal text.	Paul McGimpsey	
03/02	Recommend to the DCUSA Panel that this change is treated as a Part 1 Matter	ElectraLink	
03/03	Undertake further reading on CMP 223 ahead of the next meeting	All	
03/04	Provide an overview of the steps in the refund process of National Grid's security mechanism.	Wayne Mullins	
03/05	Provide a first draft of the DCP 259 change report for the review of the Working Group.	ElectraLink & Peter Turner	

CLOSED ACTIONS

Action Ref.	Action	Owner	Update
01/01	Re-draft the legal text based on the meetings discussions.	PM	Completed.
02/01	All Working Group members to review the three version of the draft legal text in light of the CMP 223 presentation for the next meeting on the 15 January 2016.	All	Completed.