

Minutes

Meeting Name	DCP 214 Working Group
Meeting Number	02
Date	16 September 2014
Time	10:00
Location	Energy Networks Association, 6 th Floor Dean Bradley House, 52 Horseferry Road, London

Attendee	Representing
Tony Savka [TS] (Chair)	ENWL
Amanda Rooney [AR]	Ofgem
Angus Rae [AR] (Teleconference)	SSE Distribution
Sasha Pearce [SP] (Teleconference)	NPower
Peter Collinson [PC] (Teleconference)	Northern PowerGrid
Peter Waymont [PW]	UK Power Networks
Stacey Buck [SB]	Brookfield Utilities
Leanne Alcantarilla [LA]	ElectraLink Limited
Michael Walls [MW] (Secretariat)	ElectraLink Limited

1 ADMINISTRATION

- 1.1 Apologies were received from Kevin Woollard (British Gas), Lisa Charlesworth (Ofgem) and Julia Haughey (EDF Energy).
- 1.2 The minutes of the previous meeting were accepted without amendment. The Working Group then reviewed and updated the actions list which is included as Appendix A.

2 COMPETITION LAW

- 2.1 The Working Group then reviewed the “CDCM Competition Law Dos and Don’ts” and all Working Group members agreed to the terms set out in the document.
- 2.2 It was noted to the Working Group members that the guidance is published on the DCUSA website with the meeting papers.

3 REVIEW OF OTHER INDUSTRY CODE VOTING ARRANGEMENTS

- 3.1 TS asked what the Working Group felt about the Industry Code voting arrangements. MW explained that a few of the Industry Codes have responded back to a request about individual voting arrangements. MW further noted that there was not a plain English summary available from the Codes. It was queried what the Working Group wanted to gain from the exercise, and how it can be refined to assist in the progression of the CP.
- 3.2 PW explained that the process is explained in detail within the DCUSA; however, a plain English summary would be beneficial to assist in the understanding of the voting arrangements. SP noted that in her view the arrangement under SPAA works well.
- 3.3 It was also queried whether it should be taken back a level, about the appropriateness of the Party categories, and how they all work within the calculations
- 3.4 The Working Group discussed other various options, and in particular using the MPAN count as the weighting for votes within DCUSA. It was queried whether other Industry Codes voting arrangements.
- 3.5 PW noted that the voting arrangements that are currently in place for DCUSA was put forward in Ofgem's acceptance letter of establishing DCUSA dated 23 November 2005.
- 3.6 SP and SB noted that in their experience that there is no other Industry voting arrangements conduct their voting in the same way.
- 3.7 TS asked if there was merit in progressing the "no interest" category further, and how it works in other Codes who use this category. It was discussed if within a Party category there was a majority of them not voting, then it could be deemed that the Party category had no interest. PW explained that the outcome would still go to Ofgem, but it would not have an effect on the Party recommendation.
- 3.8 AR highlighted that a concern is what makes Parties not vote on all the CPs, and if there are any impediments for smaller organisations. It was also noted that there are numerous new smaller Suppliers coming into the marketplace, and how they would not all have the resources to interact with the Industry. AR thought that consideration should be given how to engage these Parties.
- 3.9 SB thought that there was merit in asking a question in the consultation about the resourcing arrangements. MW highlighted that DCUSA does not always receive responses from smaller Suppliers, and that consideration should be taken in how to reach them to relay the issue in a robust manner.
- 3.10 TS explained that within the detail of the current voting arrangements within DCUSA, there is consideration given to smaller Parties. It was felt that a system could be developed to show how the Party vote represents the Industry in a percentage term could be beneficial.
- 3.11 AR explained that the report that is issued from ElectraLink shows how the Parties vote is broken down and all the individual comments are displayed. It was further noted that all this information is taken into account when Ofgem is making a decision on a DCP.
- 3.12 PW noted that the concern is where one Party within a category votes in the opposite way to the other Party categories, and the DCP goes to Ofgem with a "Party Recommendation" which does actually reflect the overall Party votes.

- 3.13 A general feeling amongst the Working Group members is that it would be beneficial for more Parties to vote on the DCPs that go through the process.
- 3.14 The review of the other Codes' should take a sample to show the voting arrangements for these codes for reference of the differences in the Industry.

Action: ElectraLink

4 REVIEW OF APPROVAL LEVELS OF PART 1 AND PART 2 MATTERS

- 4.1 The Working Group then discussed how this type of analysis could be presented. It was agreed that the following criteria agreed:
- Proportion of each category that voted
 - Approval Level of Part 1 and Part 2 matters
 - Ofgem decisions that go against Party Recommendation
 - Also include some analysis from JH's two-tiered system
- 4.2 PW felt that it would be beneficial to model the potential changes to the voting arrangements with the voting model spreadsheet. The Working Group agreed with this idea as it would articulate the different outcomes of the recent votes where the Party recommendation was different from the majority of those who voted.
- 4.3 The Working Group then discussed potential consultation questions, along with the standard questions, the group agreed that these are included:
- Should a representative Panel (Change Board) vote be installed for DCUSA?
 - Is a 2 week voting period sufficient, or is more time needed to ensure all Parties are able to vote?
 - Also a question about smaller parties and why they aren't participating (finances, time constraints, resources, what will make it easier to engage?)
 - Does the box that asks Parties to comment about their vote discourage Parties voting if they don't have a rationale behind their vote?
 - Is the approval level percentage for Part 1 and Part 2 appropriate, and does it need to be different (does this additional hurdle give assurance of the process – this approval range came from the Ofgem decision document in 2005)?

5 WORK PLAN

- 5.1 The Working Group agreed the following work plan:
- ElectraLink to draft the analysis for the consultation by 1 October
 - ElectraLink to draft the consultation by 1 October
 - Issue the consultation between 8 - 10 October for 3 a period of weeks

- ElectraLink to enquire with Ofgem about the distribution list for the Small Suppliers forum so that they can receive the consultation
- The next meeting will take place the first or second week of November to review the consultation responses. ElectraLink will send around potential dates for members to choose from in order to schedule the meeting

6 ANY OTHER BUSINESS

- 6.1 There was concern from one Working Group member that care needs to be taken as this CP could drift off topic into a more holistic review, and not what the original CP was drafted to do – and it could head into a general review.
- 6.2 PW explained that the intent of the CP was that the recommendation from the Parties reflected the Party vote.
- 6.3 It was explained that it is a review of the voting arrangements, and the manner in which the votes are calculated, or finding a mechanism that better reflects the views of the Parties is what this DCP is trying to achieve. It is this review that will guide the Working Group as to the appropriate solution – holistic approach or tweaks to the current arrangements.
- 6.4 PW also thought that a one-page summary on Change reports would be beneficial to Parties. It would be able to summarise the change in one page, and help Parties to make a decision more quickly whether the DCP affects them and how to proceed.

7 DATE/LOCATION OF NEXT MEETING

- 7.1 The Working Group agreed to meet in early November to review the consultation responses. ElectraLink will send out proposed dates for the Working Group to choose from in order to schedule the meeting.

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

Action Ref.	Action	Owner	Update
02/02	ElectraLink to progress the CP through the Work Plan, and its associated actions, as agreed by the Working Group	ElectraLink	

ACTIONS AGREED CLOSED AT THE MEETING

Action Ref.	Action	Owner	Update
01/01	TS to write to Franck Lateremoliere and inform him of the outcome of the discussion regarding his letter, and that the addition of non-Parties into the voting arrangements is outside of scope of this CP and would need to be raised separately.	TS	TS wrote to FL concerning this action on 11/8/14, so it can be closed.