

Minutes

Meeting Name	DCP 190 Working Group
Meeting Number	03
Date	15 May 2014
Time	09:30am
Location	Web-Conference

Attendee	Representing / Company
Peter Turner [PT] (Chair)	Northern Powergrid
Bob Weaver [BW]	Powercon UK LTD
Gus Wood [GW]	Wragge & Co.
Paul Smith [PS]	Western Power Distribution
Claire Hynes [CH] (Secretary)	ElectraLink Limited

1 ADMINISTRATION

- 1.1 Apologies were received from Brian Hoy (ENWL), Neil Magrath (UKPN) and Stacy Feldmann (Ofgem).

2 MEETING MINUTES AND ACTIONS

- 2.1 The minutes for meeting 02 were agreed with a minor amendment.
- 2.2 The Working Group reviewed the actions from the previous meeting. A summary of new and outstanding actions is attached as Appendix A.

3 REVIEW OF DCP 190 AND DCP 190A CONSULTATION RESPONSES

- 3.1 The Working Group convened a meeting to discuss six versions of the DCP 190 legal text (Attachment 1) with the DCUSA legal advisor Gus Wood.
- 3.2 Members noted that the majority of the Working Group supported the draft legal text produced by Brian Hoy. One member advised that this wording was preferable as there will be scenarios where a refund will not be given and the Common Connection Charging Methodology (CCCM) is required to provide a steer for customers.

Brian Hoy's alternative wording

- 1.33 *Normally you will not receive any credit for the value of any equipment recovered by us as a result of the connection. Where a Temporary Connection is*

to be Disconnected we will consider whether any refund is due and, where appropriate, will make a payment based on the value of any equipment recovered that we can subsequently reuse, net of depreciation, removal and refurbishment costs.

- 3.3 One Working Group member advised that they supported Wragge & Co. legal text version six as it proposed that the payment will be made as opposed to using the wording 'where appropriate' which suggests optionality on whether it is paid.

Wragges Suggested Wording (Supported By BW)

1.33 Normally, you will not receive any credit for the value of any equipment recovered by us as a result of the connection. However, where a Temporary Connection is to be Disconnected, we will determine the value of recovered equipment that we can subsequently reuse (net of depreciation and removal and refurbishment costs). Where there is a net value in the recovered equipment that can be reused, we will pay you the amount of such net value.

- 3.4 GW advised that the wording 'where appropriate' in Brian Hoy's draft legal text did not make it clear that there will be a payment but only that the payment may be consumed i.e. net of certain costs. GW proposed that the draft legal text could incorporate the wording 'a reasonable de-minimus value'. The use of de-minimus value would cover where the administrative costs outweigh the refund value.

- 3.5 One member noted that by which ever means each individual DNO chose to calculate any refund the fact remained that a value/figure should be derived even if it is a nil value. This member noted that the word 'reasonable' (de-minimus value) had been flagged as open to interpretation in the DCP 166 Authority decision letter and therefore a stated value would probably be preferable.

DCP 166 Authority Decision Letter –Reasons For Decision Excerpt

"DCP166A also states that apportionment of costs "will apply if it is not reasonably possible to obtain suitable equipment to perform the required end use function that operates from a single phase connection." DCP166A does not define "reasonably" thereby leaving this open to interpretation, adding a degree of subjectivity. This would add uncertainty to the methodology, which could lead to an increased number of disputes. We therefore consider that DCP166A could hinder the development and efficient operation of the network".

- 3.5.3.6 The Working Group considered previous discussions where it was agreed not to stipulate a de-minimus value such as £100 as DNOs all calculate the costs for the equipment differently. Members noted that each DNO may have a different price for the equipment depending on their source and whether they buy in bulk, the costs for the removal of the equipment, the costs of the staff where the DNO is located, the distances to the premises and any other overheads. As a result the six DNOs would have different calculations and would determine a different value. Members considered that stipulating a de-minimus value may not be allowed under competition law.

~~3.63.7~~ GW advised that by using the word 'reasonable' before 'de-minimus value' would provide a general application and cover the different calculation results of the DNO. GW proposed that the wording be added to the bracket section of version 6 of the legal text.

Wragges suggested wording (at the Working Group Meeting)

*1.33 Normally, you will not receive any credit for the value of any equipment recovered by us as a result of the connection. However, where a Temporary Connection is to be Disconnected, we will determine the value of recovered equipment that we can subsequently reuse (net of depreciation, removal and refurbishment costs and **reasonable de-minimus value**). Where there is a net value in the recovered equipment that can be reused, we will pay you the amount of such net value.*

~~3.73.8~~ PT agreed to re-draft the legal text to incorporate the 'de-minimus value' wording. This legal text will be circulated to the Working Group in order to seek agreement on one version of DCP 190 legal text.

ACTION 03/01: PT

~~3.83.9~~ Members agreed that if a common version cannot be agreed upon then the DCP 190A Change Proposal will support the Wragge & Co. legal text version 6. Both legal text variations will be submitted in the final Change Report for Ofgem's decision.

~~3.93.10~~ The Working Group agreed to submit a consultation two containing the reviewed legal text to parties for their consideration before drafting the Change Report.

4 ANY OTHER BUSINESS

4.1 There were no other areas of business.

5 DATE OF NEXT MEETING

5.1 The next meeting date is to be confirmed.

ATTACHMENTS

Attachment 1 – DCP 190 Draft Legal Text Versions

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

Action Ref.	Action	Owner	Update
03/01	Re-draft the legal text to incorporate the wording 'de-minimus value' and circulate to the Working Group for their review.	Peter Turner	

CLOSED ACTIONS**NEW AND OPEN ACTIONS**

Action Ref.	Action	Owner	Update
01/01	Seek legal advice from Wragge & Co. on the use of the word "may" or "will" in amended clause 1.33	ElectraLink	Completed.
02/01	Re-draft Clause 1.33 and circulate to the Working Group for comments for a period of 5 Working Days.	Brian Hoy	Completed.