

# Minutes

<b>Meeting Name</b>	DCP 009 Working Group	<b>Meeting Number</b>	002
<b>Meeting Date</b>	30 November 2007	<b>Meeting Time</b>	13.30
<b>Meeting Venue</b>	ElectraLink, 289 – 293 Regent Street, London, W1B 2HJ		

## In Attendance

### Attendee

Mike Smith  
Frank Welsh (Teleconference)  
John Lawton  
Lorna Gibb (Teleconference)  
Mark Askew (Teleconference)  
Mark Field (Teleconference)  
Nicholas Rubin  
Elizabeth Lawlor (Secretary)

### Representing

Western Power Distribution  
United Utilities Electricity Ltd  
United Utilities Electricity Ltd  
Scottish Power Energy Retail  
Ofgem  
RWE Npower  
Ofgem  
DCUSA Limited

## 1 ADMINISTRATION

- 1.1 Apologies were received from Glenn Sheern.
- 1.2 The minutes of the previous meeting were approved subject to an amendment to Section 3.1. FW noted that DCP 009 does not seek to make any changes to the Supply Licence but rather seeks to facilitate the movement of services from one statement to another. The group noted that there is no intention to change the current commercial situation.

## 2 DCP 009 CONSULTATION

- 2.1 The group reviewed the response received from the industry consultation on DCP 009.
- 2.2 Question One – Does the proposed CP better facilitate the DCUSA Objectives?
- 2.3 The group noted that 5 Parties responded to the question, and all but one believed that DCP 009 better facilitates Objective 3.1.3 of the DCUSA. One Party also stated that Objective 3.1.4 is better facilitated. Members agreed that the final CP would reflect the consensus view of the consultation responses.
- 2.4 Question Two - Are there any other alternative solutions you would like to be considered by the DCP 009 Working Group?
- 2.5 The group noted that one Party suggested that the definition of Miscellaneous Services is too wide and would leave Suppliers exposed to any new charges being imposed without agreement. JL responded that this was not the intention of the CP and noted that the proposal should be read in conjunction with the existing DCUSA framework and text. JL noted that Clause 19.1 of the DCUSA states that only services detailed in the DCUSA will be subject to charges and that any services not listed in the DCUSA

- 2.6 NR noted that the miscellaneous charging statement does not sit within a governance framework and asked whether members felt there needed to be a formal change control process. JL responded that the DCUSA provides a contractual framework for the services offered and that even if new services are added to the charging statement they cannot be charged for under the DCUSA unless they are specifically referenced within the DCUSA, as set out in Clause 19.1. The group agreed to seek confirmation that the drafting was robust as part of the legal review.
- 2.7 The group agreed with the view presented by JL and noted that industry processes are sufficiently robust to ensure that DNOs will only offer services that Suppliers want and that separate bi-lateral agreements or changes to the DCUSA would be needed to introduce new services. MF stated that the drafting needs to provide an enduring solution and ensure that the DCUSA does not have to be updated every time there is a change to the charging statement and recommended some alternative drafting.
- 2.8 MF recommended that the definition of 'miscellaneous services' be amended to read *"means services provided by a Company under Section 2A of this agreement, other than those services listed in Clause 19.2.1"*. The group noted that this definition may be impacted by the introduction of Section 2B but was supportive of the proposed amendment.
- 2.9 MF further recommended that Clause 19.1 be amended to include a reference to the User paying the Company for services provided under the Agreement "as requested by the User". JL noted that not all services would be requested by the User, such as those associated with safety where urgent action was required. The group noted the point made by MF and JL agreed to consider how the principle could be captured in the final drafting.
- 2.10 Question Three - Please indicate if you expect to incur any costs to support the CP?
- 2.11 The group noted that three respondents replied to the question and two indicated that they may incur minor costs to implement the change. One Party stated that it would incur costs as "any new charges falling within the scope of Miscellaneous Charges will now require credit cover". JL stated that he did not believe that this would be the case as the CP seeks to maintain the current position where any charges in the statement and the DCUSA already require credit cover. Any new services would only require credit cover if they were introduced to the DCUSA via a CP or agreed through a separate bi-lateral agreement. The group agreed that it was satisfied that industry systems and processes will ensure that no new services can be added without the agreement of Parties and that the process was sufficiently transparent.
- 2.12 NR asked the group to consider if the CP would impact Schedule 1. NR noted that Ofgem considered that Schedule 1 was applicable only to Use of System Charges as drafted. NR asked the group to consider that given Miscellaneous Charges are not strictly UoS Charges whether it believed Schedule 1 fit is for purpose. JL confirmed that DCP 009 seeks to amend the

definition of credit cover accordingly and that he was confident that the equations within the schedule remain appropriate and that the status quo of the current position is maintained by the CP.

- 2.13 Question Four - Do you support the proposed implementation date of 28 February 2008
- 2.14 One Party indicated that it did not support the proposed implementation date but the group determined that this was because the Party did not support the change solution. MS noted that WPD had some concerns regarding the timing of the implementation. JL noted DCP 009 is designed to facilitate the changes to 4A and provides the framework for that change. He noted that if the CP is approved it would be implemented on 28 February 2008 but that the new drafting would be redundant until the implementation of the changes to the 4A statement went live on 01 April 2008. JL noted that 4A would continue to capture all the requirements until the cutover.
- 2.15 NR asked whether DCUSA could have a stand alone release for the CP. The group noted that it could recommend an implementation date outside the standard release timetable but agreed that this was not necessary and would not support objective 3.1.4 as it would require additional work by the secretariat and Parties. FW confirmed that the changes to 4A were already under review by Ofgem and its decision was expected shortly.
- 2.16 MF asked what the consequences of Ofgem rejecting the 4A changes would be. The group noted that it was an unlikely scenario but DCP 009 would need to be withdrawn. MF asked whether Parties should be made aware that Ofgem will not be required to approve miscellaneous charges. The group noted that Ofgem does not currently approve miscellaneous charges or methodologies under 4A and that DCP 009 maintains that position. Members agreed that the CP seeks to recognise the change to 4A in the DCUSA and maintain the current commercial position.
- 2.17 Question Five - Please state any other comments or views on the Change Proposal
- 2.18 The group noted the response provided by BGAS but agreed that if the CP was read in conjunction with Clause 19.1 it should address its concerns.
- 2.19 MF informed the group that RWE Npower had considered its position following the last meeting and was now supportive of the principle of the CP subject to its proposed amendments to the drafting being considered.
- 2.20 MS noted to comments provided by SPERL that improvements to the transactional billing process and timescales would be needed to support the CP. LG confirmed that SPERL was willing to take the issues forward with DNOs on a bi-lateral basis and did not wish to delay the progression of the CP.
- 2.21 EL took an action to provide a summary of the groups' responses to the consultation comments to those respondents not present at the meeting. MS asked that seek further clarification from British Gas that it was satisfied with the responses.

**Action: EL**

### **3 DCP 009 VARIATIONS**

- 3.1 The group considered the drafting of the original CP. The group agreed that the original drafting as well as the revised drafting put forward by RWE Npower would be submitted for legal review. Members agreed that based on the legal review the group would put forward one CP in the Change Proposal. JL took an action to work up the two variations for legal review.

**Action:** JL

### **4 DCP 009 PROJECT TIMETABLE**

- 4.1 Members noted that the CP had been drafted to target the February 2008 Release to ensure the necessary amendments are in place by 01 April 2008.
- 4.2 The group agreed the following timetable for progression of the CP:

<b>Activity</b>	<b>Date</b>
Legal Text and Change Report drafted	04 December – 11 December 07
Panel Meeting – Change Report agreed	19 December 07
Party Voting	20 December – 16 January 08
Change Declaration	17 January 08
Panel Review of Votes and Comments	17 January 08 <sup>1</sup>
Ofgem Determination	20 February 08
Implementation	28 February 08

### **5 ANY OTHER BUSINESS**

- 5.1 There were no additional items of business.

### **6 DATE OF NEXT MEETING**

- 6.1 The next meeting of the DCP 009 Working Group will convene by teleconference at 09.30 on Wednesday 12 December 2007.

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<sup>1</sup> An ex-committee meeting of the EC will be convened to discuss the votes and comments if necessary.

## Appendix A: Summary of Actions

This section provides details of actions placed at the meeting. The section is split into two sub-sections:

- New actions and progress against actions currently open; and
- Actions that were closed as a result of the meeting or a previous meeting.

### Open Actions

Action No.	Description	Owner
02/01	Provide a summary of the groups' responses to the consultation comments to those respondents not present at the meeting	EL
02/02	Work up the two variations for legal review	JL
02/03	Draft Change Report for 12/12/07	EL

### Closed Actions

Action No.	Description	Owner
01/01	Update ToR to reflect membership	EL
01/02	Update DCP 009 Appendix 1	JL