

# Minutes

<b>Meeting Name</b>	DCP 008 Working Group	<b>Meeting Number</b>	003
<b>Meeting Date</b>	30 November 2007	<b>Meeting Time</b>	10.30
<b>Meeting Venue</b>	ElectraLink, 289 – 293 Regent St, London, W1B 2HJ		

## In Attendance

### Attendee

Nigel Menzies (Chair)  
Carole Pitkeathley  
Duncan Mills  
Glenn Sheern (Teleconference)  
Jen Daines  
John Dallimore  
John Lawton  
Julie l'Abraham  
Kevin Woollard (Teleconference)  
Ljuban Milicevic  
Lynne Hargrave  
Mike Smith  
Nicholas Rubin  
Elizabeth Lawlor (Secretary)

### Representing

EDF Energy  
energywatch  
Ofgem  
E.ON UK  
RWE Npower  
ScottishPower Energy Retail  
United Utilities Electricity Ltd  
Central Networks  
British Gas  
Ofgem  
CE Electric  
Western Power Distribution  
Ofgem  
DCUSA Limited

## **1 ADMINISTRATION**

- 1.1 Apologies were received from Mike Harding (The Electricity Network Company) and Peter Waymont (EDF Energy Networks).
- 1.2 The minutes of the last meeting were subject to one amendment. NR asked that the minutes be updated to reflect that Ofgem was interested to ensure that the safety provisions are adequately covered by DCP 008.

**Action:** EL

- 1.3 A summary of new and outstanding actions is attached as Appendix A.

## **2 UPDATE FROM DCUSA PANEL MEETING**

- 2.1 NM informed members that he had attended the November Panel meeting to provide an update on the work being carried out by the group. NM noted that the Panel was satisfied with the progress being made and agreed that the members should work toward an implementation date of June 2008. NM informed the group that the Panel had asked whether it had considered inviting Meter Operator Agents to participate in the discussions. EL informed members that Tom Chevalier (TC), representing the Association of Meter Operators had expressed an interest in DCP 008. The group agreed that TC should be invited to participate in the group as an industry expert and to attend its next meeting to provide an independent view.

**Action:** EL

## **3 INITIAL CONSULTATION RESPONSES**

- 3.1 The group considered the responses received from parties to the questionnaire issued by the group. NM noted that the responses received raised some interesting points in particular regarding the validity of including the UMETs process in the DCUSA, and also the comments raised by energywatch.
- 3.2 NM noted the concerns raised by CE Electric and ENC regarding whether it was appropriate for UMETs to be considered under the DCUSA but reminded the group that the Panel had assessed DCP 008 in accordance with Clause 10 and determined that it was within the scope of the DCUSA. NM noted that the Panel could have refused the proposal in accordance with Clause 10.14 if it felt its content was outside the scope of the agreement. NM noted that the Panel had determined that a detailed assessment was needed to consider whether the DCP better facilitated the DCUSA objectives and had therefore established the working group to carry out a review of the DCP and to refine and develop it as appropriate.
- 3.3 NM reminded the group that its objective is to provide a report to the Panel setting out its views on whether the DCP better facilitates the DCUSA objectives and putting forward any variations where appropriate. NM noted that the Change Report will be issued to all Parties for voting, and that the Parties' recommendation will be submitted to Ofgem for final decision. NM reminded the group that it is not required to make a final decision on whether the DCP should be approved or not, but rather to draft proposals to

be considered by the industry. NM added that fundamental objections to the principles of the provision of UMETS do not have to prevent the development of the DCP by the group.

- 3.4 Question 1 – Would you be able to provide at reasonable cost (a) a like for like meter replacement for most UMETS events, (b) a basic single-phase single-rate credit meter in all cases but a like for like service in some cases (c) only a replacement basic single-phase single-rate credit meter?
- 3.5 Members noted that a variety of responses had been received. Only one DNO confirmed that it would be able to provide option (a). One DNO stated that it would not be able to provide any of the services at a reasonable cost and others indicated that option (c) would be achievable but only under certain circumstances. LH confirmed that CE Electric felt that it would not be possible to provide suitably qualified people or equipment at a 'reasonable cost'. LH noted that there is no obligation for Distributors to provide metering services and thus CE Electric is not in a position to do so. LH stated that CE Electric did not believe that a 'one stop shop' was feasible under the current industry framework.
- 3.6 NM noted that the group was mindful of the consultation letter issued by Ofgem which set out the requirements for the PEMS service in the gas industry and indicated that similar processes should be established for UMETS. DM stated that the letter was issued for consultation and comment by parties and did not set out a final position from Ofgem. DM confirmed that Ofgem does recognise the differences between the gas and electricity markets and that the same process may not be workable in both.
- 3.7 The group noted that ENC had also raised concerns as to whether the basic service could be provided at a 'reasonable cost' by IDNOs. NR asked whether DNOs and IDNOs could indicate what they considered a reasonable cost to be and how much it would cost to provide the service and DM asked whether the DCP could include commercial prices for the service as well as the obligation to provide the service. NM confirmed that it was expected that Distributors would publish their charges for UMETS services. NR recommended that the Distributors should provide a high level analysis of the services already provided and the cost of starting up the service for those without a metering business. NM agreed that when the scope of the service to be put forward in DCP 008 was finally determined parties would be asked to provide the associated costs of providing it.
- 3.8 LH stated that suppliers should also be asked to confirm how much it would cost them to provide the service. JL stated that he did not believe the group was able to place the obligation on suppliers under the scope of DCP 008 and GS supported that view. GS added that if the group accepts that the service is to be provided, it is logical that the Distributor is obligated to provide the service as it will already be on site. NM reminded the group that DCP 008 looks at the Distributors to provide the service and the group should progress on that basis. NM directed the group to develop solutions that were acceptable to as many group members as possible. NR noted that given the contention over who should provide the service analysis of the cost of providing the service could be crucial in the decision making process for parties and Ofgem.
- 3.9 CP recommended that the group should focus on what the UMETS process is trying to achieve – getting customers back on supply as quickly as possible.

She noted that Distributors should therefore look for a pragmatic solution to take the necessary steps to achieve that aim.

- 3.10 The group considered whether Distributors would need to be 'Qualified' under the BSC to carry out UMETs work and NM took an action to investigate the obligations.

**Action:** NM

- 3.11 Question 2 a) - For non-special needs customers with meter faults identified by a Distributor at a site visit in or out-of-hours (Alternative B, Scenario 5 and 6), if the Distributor cannot provide a like-for-like meter, would you accept that they should wait for a MOP call next day rather than have the wrong type of meter installed (which would require a subsequent MOP visit to correct)?

- 3.12 Question 2 b) - While recognising that a full like-for-like replacement in all cases may be preferable, would you accept a basic single-phase single-rate credit meter UMETs service in order for the Distributor to restore supply at the first visit for special needs customers in all cases (Alternative B, Scenarios 4, 7 & 8)?

- 3.13 Members noted that whilst all suppliers were supportive of part b), there was a mixed range of responses to part a. KW stated that British Gas already provides a 24/7 MOP service and wanted to maintain the right to use its own service in non-emergency scenarios. JD noted that Npower believes that the final solution should consider the different capabilities of suppliers and the provision of MOP services. GS informed the group that E.ON UK believes that the basic provision should be for a meter to be fitted in all circumstances and JD confirmed that SPERL does not feel that non special needs customers should have to have multiple visits if DNOs are able to provide a basic service when on site. KW, NM and JD agreed that a separate manual notification process should also be developed as part of the DCP.

- 3.14 Question 3 – Do you agree that DCUSA should only specify a uniform standard minimum service and Parties should be able, but not obliged, to agree any additional or different service by bilateral agreement outside DCUSA? Yes / No / Neither

- 3.15 The majority of respondents agreed that the DCUSA should specify a minimum UMETs service and that parties could develop commercial arrangements for further services outside of the agreement.

- 3.16 CP noted that whilst the objective of the working group was clear and that it should continue to develop DCP 008 as far as it could, energywatch wished to raise concerns that competition in metering is not aiding customers in the way it had been envisaged it would. CP expressed concern that the proposed introduction of the UMETs process into the DCUSA was being used to compensate for weaknesses in metering processes. CP noted that regardless of who provides the service (Distributors or Suppliers); customers will bear the costs whatever the final solution. CP stated that there are acknowledged difficulties with competition in metering and that Ofgem should consider this DCP in the context of the bigger picture. CP suggested that a fundamental re-think is required by Ofgem. NM noted that

the views of Ofgem and energywatch were crucial to the development of the DCP and the group noted that however the DCP develops wider issues do need further consideration.

- 3.17 JL noted that United Utilities did not support the proposal set out in question 3 as it believes that the DCUSA can be drafted to accommodate both options. JL added that it would not be efficient to develop the DCUSA with separate bi-lateral contracts outside it and therefore recommended that the group move forward on the basis of accommodating both variations in the agreement. The group agreed it was happy to proceed on that basis.

#### 3.18 Question 4 – Additional Comments

- 3.19 CE Electric and energywatch re-iterated their views that significant issues regarding the competition in metering need to be considered in a wider forum.
- 3.20 CP noted the views of ENC regarding the scope of the DCP. The group noted that the Panel had accepted that the DCP was within scope, that the licence condition did not prevent new areas being introduced into the DCUSA and that Ofgem would be required to determine on the introduction of any such arrangements. CP asked whether Ofgem could provide a view as to whether it felt the issue should be considered under the scope of the DCUSA before the DCP was issued for voting. NR asked if the Panel had a remit to request provisional thinking from Ofgem. CP stated that Ofgem did not have to comment on whether it was supportive of the DCP but rather whether it was in scope. NR and DM agreed that they would consider whether they could give a view on the principle of UMETS under the DCUSA. CP noted that she accepted the Panel position but that a view from Ofgem would be helpful.
- 3.21 NM confirmed that the group had no remit to go back to the Panel as the Panel has indicated that it thinks there may be merit in the DCP. He directed members to continue to develop the DCP but agreed that the issue should be highlighted in the consultation and final change report. NR noted that if parties don't feel the change is appropriate or better facilitates the objectives they will vote accordingly and noted that the DCUSA objectives define the scope of the agreement.
- 3.22 J Daines asked that the group ensure that it considers the needs of all groups of customers (e.g. residential homes, farmers) when developing DCP 008. JL noted that the UMETS process does not distinguish between customer types and CP took an action to consider the impact on NHH business customers. Members further agreed with the proposal by WPD that DNO and IDNO parties should be subject to the same obligations.

## **4 DCP 008 VARIATIONS**

- 4.1 JL informed the group that he wished to take the original drafting forward at this stage i.e. he did not wish to withdraw the DCP and would leave this 'on the table' subject to the outcome of the working group recommendations. Members noted that DCP 008 in its current form was not achievable for all Parties and agreed that it put a variation forward to better facilitate the DCUSA objectives. The working group agreed to proceed on basis of the proposal set out in section 3.17 – to accommodate both the provision of the basic and commercial services in the DCUSA.

- 4.2 JL proposed that the drafting should set out a standard clause for the provision of a basic service by replacing a faulty or damaged meter with a single phase single rate meter but should allow for a Distributor to provide a more sophisticated service where it chose to and that the charging statement would set out the services provided. KW noted that the drafting should maintain the right for suppliers to choose if they wish to take anything more than the basic service. The group agreed that it would draft on this basis.
- 4.3 LH and MS stated that the DCUSA should set out the lowest common denominator service that was acceptable to all Distributors. A number of members expressed concern that Distributors were limiting their service on principle when an increased service could be provided. JL noted that if Distributors have to develop a basic service for special needs customers they would have the capability to provide the same service for non special needs customers when on site. J Dallimore stated that the image of the industry to customers should be considered when developing the final solution.
- 4.4 MS noted that the group should understand that the ability to provide UMETS was most pertinent to Distributors without Metering Services. LH noted that CE Electric does not feel it should be obligated to provide MOP services and whilst it would manage the provision of a basic service it must be the minimum. MS stated that any requirement to provide UMETS should be restricted to the provision of a basic service restricted to urgent situations primarily related to those customers with special needs.
- 4.5 The working group reconsidered the scenarios table developed at the last meeting and reached agreement on all but one scenario:

Telephone Call – Metering Fault identified – Not Special Needs	1 In hours	Refer to Supplier
	2 Out of hours	Refer to Supplier
Telephone Call – Metering Fault identified – Special Needs	3 In hours	Refer to Supplier
	4 Out of hours	UMETS applies
Site Visit – Metering Fault identified – Not Special Needs	5 In hours	No Consensus
	6 Out of hours	UMETS applies
Site Visit – Metering Fault identified – Special Needs	7 In hours	UMETS applies
	8 Out of hours	UMETS applies

- 4.6 The group agreed that two variations should be developed, one referring scenario 5 to the supplier and the other applying UMETS provisions. JL took an action to work up the revised drafting and circulate it members in advance of the next meeting.

**Action:** JL

## 5 ADDITIONAL AREAS OF CONSIDERATION

- 5.1 The group agreed that its next meeting it will need to consider the following areas in more detail:
- Rationale for the applicable DCUSA Objectives
  - Communications methods – Electronic D0150 Flow or Manual Flows

- Impact on other industry codes / agreements
- Emergency Credit
- Transfer of meter asset ownership
- Definition of 'Working Hours' / 'Out of Hours'
- Definition of Special Needs Customers

## **6 ANY OTHER BUSINESS**

6.1 There were no additional items of business.

## **7 DATE OF NEXT MEETING**

7.1 The next meeting of the DCP 008 Working Group will convene at 10.00am on 11 January 2008 at ElectraLink, London.

## 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
02/02	Consider how energywatch would like special needs / vulnerable customers to be defined	AS
03/01	Update meeting 002 minutes to reflect that Ofgem was interested to ensure that the safety provisions are adequately covered by DCP 008.	EL
03/02	Invite Tom Chevalier to participate in the group as an industry expert	EL
03/03	Investigate whether Distributors would need to be 'Qualified' under the BSC to carry out UMETs	NM
03/04	Work up the revised drafting for two DCP 008 variations and circulate to members in advance of the next meeting	JL

### Closed Actions

Action No.	Description	Owner
01/01	Update ToR to reflect membership	EL
02/01	NM to attend November Panel meeting to present update and proposed timetable	NM
02/03	Draft summary document for issue to Contract Managers	NM
02/04	Re-draft DCP 008 to accommodate proposed solutions	JL
02/05	Review DCP 008 Appendix A and provide comments to EL	All
02/06	Consolidate all comments on log	EL