

Minutes

Meeting Name	DCP 008 Working Group	Meeting Number	006
Meeting Date	08 February 2008	Meeting Time	10.30
Meeting Venue	ElectraLink, 289 – 293 Regent St, London, W1B 2HJ		

In Attendance

Attendee

Nigel Menzies (Chair)
Carole Pitkeathley
Glenn Sheern (Teleconference)
Julie L'abraham (Teleconference)
Jen Daines
John Dallimore
John Lawton
Kevin Woollard (Teleconference)
Ljuban Milicevic
Lynne Hargrave
Mike Smith
Tom Chevalier
Elizabeth Lawlor (Secretary)

Representing

EDF Energy
energywatch
E.ON UK
Central Networks
RWE Npower
ScottishPower Energy Retail
Electricity North West Ltd
British Gas
Ofgem
CE Electric
Western Power Distribution
Association of Meter Operators
DCUSA Limited

Apologies

Peter Waymont
Duncan Mills
Nicholas Rubin

Representing

EDF Energy
Ofgem
Ofgem

1 ADMINISTRATION

- 1.1 The minutes of the last meeting were approved subject to clarifications to sections 3.4, 4.1 and 5.2. It was agreed that a new section (3.17) be added to capture the fact that members had agreed that any necessary amendments to the Event Log resulting from DCP 008 would be taken forward as part of the Panel's wider review of Schedule 7.
- 1.2 A summary of new and outstanding actions is attached as Appendix A.

2 OFGEM RESPONSE TO ENERGYWATCH LETTER

- 2.1 CP informed the group that energywatch had received a response from Ofgem to its letter dated 04 January on the UMETS proposal. Members noted that Ofgem had confirmed that it believed the scope of the DCUSA was wide enough to consider DCP 008, that the Agreement could provide an appropriate framework for a UMETS obligation, that it was satisfied that the Working Group should continue to assess and develop DCP 008 and that Ofgem would assess the DCP against its wider statutory obligations.
- 2.2 Members noted that Ofgem had indicated that it was down to the Working Group to determine the definition of vulnerable or special needs customers in light of the DCUSA Objectives.
- 2.3 Members noted that Ofgem believes that competition in metering has delivered benefits to customers and noted that whilst there is no current plan to introduce a licence obligation for the provision of UMETS / PEMS services, the option would not be ruled out if failure to provide a service was having a detrimental impact on consumers. CP agreed to circulate an electronic version of the response to members for information.

Action: CP

3 DEFINITION OF 'SPECIAL NEEDS' CUSTOMERS

- 3.1 Members reviewed the drafting of the definition of special needs customers as proposed at the last meeting. The group agreed that the definition needs to provide sufficient guidance to DNO Parties and approved the following wording.

<i>A consumer is vulnerable if, for reasons of age, health or disability, remaining off supply is likely to leave them unable to safeguard their own welfare or that of members of the household.</i>

4 INCLUSION OF 'SCENARIO 5'

- 4.1 NM advised the Group that it needed to agree whether 'Scenario 5' should be included within the scope of the UMETS requirement. Members noted that Scenario 5 related specifically to site visits to non special needs customers during normal working hours. NM noted that at previous meetings members had been divided as to whether such calls should be treated as UMETS or whether the Distributor should 'walk away'.
- 4.2 LH and MS stated that they believed in such circumstances Distributors should leave site and that Suppliers should arrange for their MOP to resolve the issue. John Dallimore stated that he believed if the Distributor was able to get the customer back on supply by doing a like for like meter replacement they should do so in order to provide the highest level of service to customers. LH stated that including such calls would significantly increase the number of calls the Distributors had to deal with, although this view was not supported by other group members. TC confirmed that if MOPs were called out during normal business hours they would be required to attend site within a couple of hours to meet their guaranteed standards

obligations. GS stated he believed it was reasonable to ask MOP to provide the service in such as a scenario and KW indicated that British Gas also favours that approach.

- 4.3 NM asked Working Group members to as to whether they supported the inclusion of Scenario 5 in the scope of the UMETS service.

For	Against
Jen Daines	Julie L'Abraham
John Dallimore	Kevin Woollard
John Lawton	Mike Smith
	Lynne Hargrave
	Glenn Sheern

- 4.4 The group concluded that as there was a clear difference of opinion it was sensible to develop the Working Group variation as the most basic service and agreed that Scenario 5 would be recorded as 'Refer to Supplier'. NM noted that any other member of the group could take forward an enhanced variation if they chose to do so.

5 PROVISION OF A BASIC SERVICE

- 5.1 Working Group members agreed that the provision of the basic UMETS service as drafted in the DCUSA would be applicable only in the following scenarios:

- Telephone Call – Metering Fault identified – Special Needs – Out of hours
- Site Visit – Metering Fault identified – Not Special Needs – Out of hours
- Site Visit – Metering Fault identified – Special Needs – In hours
- Site Visit – Metering Fault identified – Special Needs – Out of hours

- 5.2 Members agreed that the service would apply to all Non Half Hourly metering faults and that DNOs would only be obliged to replace meters with single phase, single rate credit meters.

- 5.3 John Dallimore suggested that as pre-payment meters are most likely to fail it may be more practical for pre-payment meters to be the default meter for the basic service as they can also be configured to work as credit meters. Members considered that as the installation of pre-payment meters required more skill and would incur greater costs it was preferable for the basic meter to be a single rate credit meter.

- 5.4 John Dallimore confirmed that the objective of the basic service is to provide a stop gap solution where Supplier doesn't have a MOP providing a 24 hour service and the customer is vulnerable. However he proposed that the Working Group could develop a two tier solution – the provision of that basic service and an enhanced service where the Distributor is able to do so.

- 5.5 GS proposed that only the basic service should be set out in the DCUSA. He recommended that the drafting should place an obligation on all Distributors to offer the service and an obligation on all Suppliers to accept the service. GS stated that any additional services should only be provided by the Distributor with the agreement of the Supplier through a bilateral contract.

GS expressed concern that without such an agreement Distributors with the capability to do a like for like exchange could carry out the activity out their own discretion and charge the Supplier more for the service than it would be charged would be charged by its own appointed MOP agent.

- 5.6 NM asked members to confirm whether they supported the view that the DCUSA should set out only the basic services that Distributors are required to provide and that any additional services should be covered by only by commercial bi-lateral agreements.

For	Against
Glenn Sheern	Jen Daines
Julie L'Abraham	John Dallimore
Kevin Woollard	John Lawton
Lynne Hargrave	
Mike Smith	
Nigel Menzies	

- 5.7 JL agreed to circulate drafting setting out the principles agreed by the group.

Action: JL

- 5.8 CP suggested that post implementation of any modification a review should be carried out to ensure that the DCP had not had a negative impact on the customer experience. CP highlighted the potential risk that if all parties drop to the lowest common denominator – the basic service – there could be a drop in the level of service across the board. LM confirmed that Ofgem would consider the customer experience as part of its wider consideration of the DCP as part of the determination process.

6 DCP VARIATION BY E.ON UK

- 6.1 The Working Group considered the alternative variation put forward by E.ON UK which proposed that Distributors could be required to provide a 24/7 MOP service, typically outsourced to existing MOP organisations. Working Group members considered that the proposal did not change the intent of DCP 008 but offered one solution as to how Distributors might meet the obligation introduced by the DCP.
- 6.2 Members agreed that the proposal itself should not stipulate the means Distributors should use to meet the obligation. NM further noted that UMETS cases arise when the Distributor has gone on site to address what it believes to a no supply issue and suggested that under this proposal MOPs may be required to address Distributor faults. The Working Group concluded that it will be up to Distributors to determine how they meet the obligation and that the DCUSA cannot prescribe commercial arrangements. GS agreed that he would not take the variation forward at this stage.

7 REVIEW AGAINST THE DCUSA OBJECTIVES

- 7.1 The Working Group considered the original proposal against the DCUSA Objectives. JL proposed that DCP 008 better facilitates Objective 3.1.1 by maintaining and protecting the network from further potential damage

whilst also helping vulnerable customers connected to it. He proposed that Objective 3.1.3 is improved by providing further clarity on the activities undertaken by the Supply Fault Information Centre when calls are received from Customers.

- 7.2 John Dallimore, Jen Daines, Glenn Sheern, Mike Smith, JA and KW all confirmed that they do not think that the DCP better facilitates the DCUSA objectives but that it is not detrimental to them. The members agreed that the issue was relevant to the DCUSA and recognised the positive intentions of the DCP. Members agreed that the obligation should be contained in the DCUSA and considered whether the DCUSA objectives should be subject to a wider review.
- 7.3 LH stated she believes that the DCP is detrimental to the DCUSA objectives as it is anti competitive and obligates Distributors to provide a service that is not set out in the Distribution Licence.
- 7.4 Members reviewed the principles of Working Group alternative DCP. JL noted that he believes that the original DCP better facilitates the DCUSA objectives than the Working Group variation. All other members indicated that they considered the alternative variation to be equal to the original proposal.
- 7.5 NM noted that members will need to fully evaluate the original DCP and any alternative variations following the consultation.

8 COST ANALYSIS

- 8.1 Working Group members agreed that an indication of the likely costs of providing the UMETS service could only be provided once the full scope of the DCP was agreed. Members proposed that any cost information should be provided to Ofgem on a confidential basis.
- 8.2 The Working Group considered how Distributors would charge for the service. NM proposed that the DCP should be progressed on the understanding that the ownership of the meter transfers to the Supplier at the point of installation and that it is up to Suppliers to determine how they manage the subsequent process with their MOP and/or MAP agents.
- 8.3 Members considered that there will be a fixed cost for providing the service for all Distributors regardless of the number of jobs that they do, and then additional charges per job. Members considered whether Distributors could publish their costs for the basic UMETS service in either the Relevant Charging Statement or the Miscellaneous Charging Statement.
- 8.4 Members noted that Ofgem does not approve the format or calculation of charges of miscellaneous charges and some suppliers expressed concern that Distributors could set unreasonable costs without any recourse for challenge. CP stated that there must be a reliance on Distributors to behave responsibly if the costs are processed in this way.
- 8.5 John Dallimore suggested that the charges should not all be included in the Miscellaneous Charging Statement as arguably the provision of UMETS is an enhancement to a service that is already provided (rectifying a distribution fault) and could be covered under UoS charges. He proposed that the basic

service could be covered in the RCS and the transactional costs in the MCS. Members noted that whilst all business are expected to operate in a reasonable manner the solution would mitigate any risk as Ofgem would consider the fixed costs as part of UoS charges. LH argued that as there is no licence obligation to provide the service it cannot be covered under UoS charges.

- 8.6 NM concluded that the group had identified two types of cost – the set up and maintenance of the service and the transactional cost of each job. NM asked LM to provide a view on the issue for further discussion at the next meeting and recognised it as a critical process in the development of the proposal.

9 IMPACT ON OTHER INDUSTRY CODES

- 9.1 The Working Group noted that BSCP 537 recognises the right of Distributors to carry out metering work in emergency situations without the requirement for qualification. TC confirmed that MOCOPA recognises UMETS but there is no direct impact on that agreement. GS noted that there maybe impacts to the Data Transfer Catalogue and agreed to inform MDB about the development of the DCP.

Action: GS

10 OUTSTANDING AREAS OF CONSIDERATION

- 10.1 The group agreed that future meetings will need to consider the following areas in more detail:

- Rationale for the applicable DCUSA Objectives
- Costs Analysis – implementation and ongoing management
- Review of Drafting

- 10.2 Members agreed that an updated version of the drafting for the Working Group's variation and the draft consultation document would be circulated for review in advance of the next meeting and that the DCP would be progressed in accordance with the following timetable:

Activity	Target Date
Meeting to agree consultation document	07 March
Consultation Period	17 March – 09 April
Meeting to draft Change Report	11 April
Change Report to Panel	Ex-Committee
Voting Period	30 April – 19 May
Authority Determination Period	20 May – 24 June
Implementation	26 June

11 ANY OTHER BUSINESS

- 11.1 There were no additional items of business.

12 DATE OF NEXT MEETING

- 12.1 The next meeting of the DCP 008 Working Group will convene at 10.30am on 07 March 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
04/01	Parties and AMO to assess whether they will be able to provide any indicative costs for the provision of a UMETS service to Ofgem. Ongoing, Parties to assess when DCP is fully defined.	All
04/02	CP agreed that she would circulate an electronic copy of the formal response from Ofgem to the group for information	CP
05/02	Highlight Indemnities within consultation document Ongoing	NM
05/04	Seek legal advice from Wragge's that Clause 36.17 is not needed as Clause 36.15 provides all necessary Indemnities Ongoing	JL
06/01	Circulate drafting setting out the Working Group Variation	JL
06/02	Update MDB on the progression of DCP 008	GS

Closed Actions

Action No.	Description	Owner
05/01	Consolidate BGT comments into main Comments Log Complete	BOS
05/03	Provide alternative wording for clause 36.14 Complete	NM
05/05	AMO to provide such pricing information it considers to be non commercially sensitive Closed - Merged with 04/01	TC

