

# Minutes

<b>Meeting Name</b>	DCP 008 Working Group	<b>Meeting Number</b>	008
<b>Meeting Date</b>	25 April 2008	<b>Meeting Time</b>	10.30
<b>Meeting Venue</b>	ElectraLink, 289 – 293 Regent St, London, W1B 2HJ		

## In Attendance

### Attendee

Nigel Menzies (Chair)  
Bill Gunshon  
Billy Horne (Teleconference )  
Duncan Mills  
Francesca Dixon (Teleconference – Part Meeting)  
Glenn Sheern (Teleconference)  
Gus Wood (Teleconference)  
John Lawton  
Julie L'Abraham  
Kevin Woollard  
Ljuban Milicevic  
Lynne Hargrave  
Mike Smith  
Peter Waymont  
Tom Chevalier  
Elizabeth Lawlor (Secretary)

### Representing

EDF Energy  
RWE Npower  
ScottishPower Energy Retail  
Ofgem  
IPNL  
E.ON UK  
Wragge & Co  
Electricity North West Ltd  
Central Networks  
British Gas  
Ofgem  
CE Electric  
Western Power Distribution  
EDF Energy Networks  
AMO  
DCUSA Limited

### Apologies

Carole Pitkeathley  
Jen Daines

### Representing

energywatch  
RWE Npower

## 1 ADMINISTRATION

- 1.1 The minutes of the last meeting were approved without amendment. Members noted that since the last meeting the proposed timetable had been moved out by one day to accommodate changes to the consultation document.
- 1.2 A summary of new and outstanding actions is attached as Appendix A.

## 2 MEETING OBJECTIVES

- 2.1 NM informed attendees that the purpose of the meeting was to review the consultation responses and to agree the content of the Report to the DCUSA Panel. He noted that in accordance with Clause 11 of the DCUSA the Working Group may put forward its preferred variation to the DCUSA to the Panel and detail the other variations considered by the Group. The Panel can choose whether to accept this variation and also retains the right to add up to two further variations to be issued to the Parties for voting. Members noted that the Panel must include, if so requested by the Proposer, the Proposer's variation as one of the two further variations. The Working Group

agreed that in order to assist the Panel in its decision it would recommend the CPs it believed should be issued for voting.

### **3 DCP 008 CONSULTATION RESPONSES**

Question 1: Does the proposed variation and alternative variations better facilitate the DCUSA Objectives?

- 3.1 The significant majority of respondents indicated that none of the variations better facilitated, or were detrimental to, the DCUSA Objectives. The majority of respondents considered either that the Objectives were not applicable or that the impact on the DCUSA Objectives was neutral. However representations made by some Parties from all categories via the consultation responses indicated that these parties did not consider the DCUSA the appropriate governance mechanism for UMETS and that the introduction of an obligation to provide such services would be detrimental to the DCUSA Objectives overall. NM reminded Parties that Ofgem had directed that it was appropriate for the CP to be considered within the scope of the Agreement.

Question 2: Have you identified any other relevant, suitable alternative solutions you would like to be considered by the DCP 008 Working Group that would better facilitate the DCUSA Objectives?

- 3.2 KW asked that the Working Group consider a proposed revision to DCP 008A, as set out in the consultation response, to address issues with Pre-Payment customers. KW proposed that DNOs seek specific authorisation from Suppliers before carrying out UMETS work on Pre-Payment meters and noted that the individual arrangements for each Supplier could be maintained in a policy agreement between each Supplier and DNO. PW considered that it would be difficult for the DNO on site to know who to contact in each case and Distributors agreed that it would be a complex process to manage. The Working Group was not supportive of the proposal unless managed on a bi-lateral basis.
- 3.3 The Working Group considered the alternative proposal put forward by The Electricity Networks Company (ENC) which suggested that Parties could develop a process to legally 'bypass' the meter and restore supply without the fitting of metering. Members noted that under the proposal an obligation would be placed on Suppliers to ensure that the site is revisited within a prescribed timescale following restoration of supply to fit an appropriate meter.
- 3.4 LH and TC noted that the process is already informally used in areas where Distributors do not provide a Metering Service and may be worth considering further. NM considered that the proposal would add complexity and break existing industry rules and GS added that he would not be supportive of a solution that would leave a customer without metered electricity. The Working Group noted the proposal but agreed that formalising a process of by-passing a meter to get customers back on a supply was not an acceptable solution to put forward as a recommendation from the Working Group.

Question 3: Please indicate if you expect to incur any costs to support the CP if it is accepted

- 3.5 Working Group members noted that the majority of respondents had indicated that they were unable to provide cost impacts until the final solution was known. However JL'A and LH noted that Central Networks and CE Electric would incur significant costs were they required to establish a metering service for UMETS and supported MS's view that the activity would cost in the region of £1,000,000. LH noted that there would be a fixed cost to all Suppliers regardless of the number of jobs carried out and noted that if some Suppliers chose to opt out of the service those costs would rise for other Suppliers using the service.
- 3.6 PW noted that the solution could not be fully costed until the final solution was determined but that costs would be dependent on the level and complexity of the service provided by the DNO and the number of jobs carried out. Working Group members re-considered data provided at meeting 002 which indicated that the number of UMETS jobs dealt with by DNOs was at worst 500 incidents a month where a metering fault was discovered on site but noted that the figures provided did not include split of in and out of hours and vulnerable customers.
- 3.7 LM informed the group that Ofgem considered that it was not appropriate to consider UMETS charges within the scope of UoS fixed charges and that therefore they should be covered under the Miscellaneous Charging Statement as defined in the DCUSA.

Question 4: Do you support the proposed implementation date of 06 November 2008

- 3.8 Parties noted that respondents were divided as to whether the proposed implementation date of November 2008 was achievable and that the implementation date was also dependent on the final solution. Members recognised that any procurement, recruitment and training activities may take longer than 6 months to implement. NM considered whether a transition period could be written into the DCUSA and BG noted that some Parties considered that the November 2008 Release was achievable.
- 3.9 The Working Group considered that Parties would not know the Authority's determination on the CP under July 2008 at the earliest. The group considered that in order to allow a minimum of a six month implementation it would be appropriate to set an implementation date of June 2009, noting that this would not account for any transition period and that any party which was not compliant at that time would be required to apply to the Panel for a derogation. The Working Group agreed that this implementation date should be applied to all variations and the proposers of each alternative were supportive of the recommendation.

**Action: EL**

Question 5: Do you agree with the proposed assignment of Clauses as Part 1 / Part 2 Matters?

- 3.10 Parties considered the responses to Question 5 and agreed that the CP was correctly classified as a Part One matter in accordance with Clause 9.4 of the DCUSA because of the potential impact on customers and competition in the market. Members agreed that the proposed designation of the clauses was also appropriate.

Question 6: Do you agree that Vulnerable Customers need a different UMeTS service, and if so is the proposed definition of Vulnerable Customers Correct?

- 3.11 Members reviewed the responses to Question 6 noting that they indicated that Parties considered that vulnerable customers do require a higher level of service in UMeTS cases, although some believed the same level of service should be applied to all customers if the Distributor was capable of doing so. It was recognised that any solution must allow the distributor operatives to use their discretion when dealing with customers on the phone and on site and that although vulnerable customers do require an enhanced service Distributors should retain the right to determine whether customers were vulnerable 'in the companies reasonable opinion'.
- 3.12 Members agreed that this wording should be used across all variations. Members considered the alternative wording proposed by British Gas and accepted the addition of 'dependent' but rejected the addition of 'and at risk' as the risk was not clearly defined.

**Action: EL**

Question 7: Do you agree with the Working Group's conclusions on which scenarios should result in UMeTS services as set out in Section 4.1 of the consultation document?

- 3.13 Members reviewed the responses to question 7 noting that there were closely related to question 6. Parties noted that the scenarios would vary depending on the variation taken forward. There was very little consensus amongst Parties as to which scenarios should result in UMeTS services and responses were linked to the preferred variation of the respondent, their ability to provide a service, existing contractual arrangements and their view on the appropriate level of service required by each customer time in each scenario. The Working Group acknowledged that there was not consensus on this issue and that the proposers of each variation should take their change forward as they see fit.

Question 8: Do you feel that the one or more of the Alternatives proposed by individual Working Group members (DCP 008B, DCP 008C, DCP 008D) better facilitates the DCUSA Objectives and/or provides a better UMeTS service compared to the Working Group's refined proposal DCP 008A?

- 3.14 Parties reviewed the response to question 8 noting that responses indicated that DCP 008B was supported by at least one Party from each category, and that DCP 008C was favoured by some Suppliers and energywatch. DCP 008A was typically ranked as the second preferred option. No small Suppliers participated in the Working Group or Consultation but the Working Group recognised that it was unlikely that such companies would have contracts in place with MOPs for the provision of a UMeTS service. When ranked in order, DCP 008B was the most preferred option, followed by A, D and C.

- 3.15 The Working Group considered that when ranked in order, DCP 008B was the most preferred option, followed by A, D and C. JL noted that if DCP 008B were to be taken forward it would need considerable legal drafting to bring it into line with the other variations. LH was supportive of that recommendation but noted that the principle of the proposal was well supported. DM asked LH to clarify how DCP 008B altered from the status quo. LH confirmed that the variation will formalise the process to ensure that Distributors have the authority to carry out the work at the request of the Supplier should they choose to do so and that the supplier will be obliged to pay for the work.

**Action: LH**

- 3.16 The Working Group considered that DCP 008B should be taken forward, subject to drafting updates, as it had received the most support from Parties. The Working Group concluded that DCP 008D would have to be put forward under the DCUSA rules as the originators (modified) proposal.
- 3.17 NM reminded the group that it needed to recommend to the Panel that either DCP 008A also go forward or that DCP 008C be adopted by the Working Group. The Working Group was divided as to whether DCP 008A or DCP 008C should be recommended to the Panel. Parties therefore agreed to vote on which CP they considered should be taken forward.

DCP 008A	DCP 008C
----------	----------

Nigel Menzies	Kevin Woollard
Lynne Hargrave	Glenn Sheern
Mike Smith	Bill Gunshon
Julie L'Abraham	Billy Horne
John Lawton	
Peter Waymont	

3.18 The Working Group concluded that as only three variations could be progressed further under DCUSA rules DCP 008A, B and D would be recommended to the Panel as the majority view of the Working Group. Members agreed that the Change Report should detail all four options considered by Parties and to allow the Panel to make an informed decision. Each proposer agreed to provide the business justification for its variation for inclusion in the Change Report.

**Action:** LH, JL,GS

Question 9: How do you believe charges for UMeTS services should be set and controlled if appropriate? In particular, the Working Group would welcome any information from Distributors about the costs of providing an UMeTS service and the charges they may apply to the service. This information can be provided in confidence to either the Working Group or direct to Ofgem if preferred.

3.19 Parties considered the responses to question 9 and agreed that the process for determining and managing charges would be dependent on the final solution but there was no real support for the introduction of a new charging mechanism in the agreement. Members noted the view of Ofgem that it was not appropriate to consider UMeTS charges within the scope of UoS fixed charges but that they could be covered under the Miscellaneous Charging Statement as defined in the DCUSA.

3.20 The Working Group concluded that it was not for DCUSA to describe how charges should be calculated or where they should be published. However the Working group considered that it was likely that UMeTS charges would either be covered under the Miscellaneous Charging Statement as defined in the DCUSA if the service falls within DCUSA, or if the arrangements are managed on a purely commercial basis outside DCUSA then the charges would be catered for in that contractual arrangement.

#### Question 10: Are there any other comments you wish to make

- 3.21 Parties noted that the response to question 10 broadly covered areas that had already been discussed throughout the development of DCP 008 and its alternatives. JL'A asked why it was not possible to obligate suppliers to contract directly with the MOP in order to provide a UMETS service. PW confirmed that the principle of UMETS was that the first person on site should seek to fix the fault and that the scenario occurs when a DNO goes to site assuming a no supply fault which turns out to be metering fault.

#### **4 RECOMMENDATION TO THE DCUSA PANEL**

- 4.1 The Working Group agreed that DCP 008A B and DCP 008D would be put forward in the Change Report. The Working Group recommended that the CP should be issued to all Parties for a period of 15 Working Days and that the proposed implementation date for each CP would be set as June 2009..

#### **5 OUTSTANDING ISSUES**

- 5.1 Working Group members noted that concerns had been raised throughout the development of DCP 008 regarding potential competition issues of obligating Parties to provide or procure a service when there is no licence obligation to do so. DM took an action to discuss with the Ofgem legal team whether there any competition issues associated with the implementation of any of the DCP 008 variations – i.e. whether the requirements could be viewed as anti-competitive.

**Action: DM**

- 5.2 EL asked DM to confirm whether Ofgem was satisfied with the process followed by the Working Group and whether there were any outstanding issues. DM confirmed that he was satisfied with the work carried out by the group.

#### **6 TIMETABLE OF ACTIVITIES**

- 6.1 The Working Group agreed the following timetable for progression of the DCPs and asked EL to draft the Change Report for sign off by members:

ACTIVITY	RESPONSIBILITY	DUE DATE
Report to Panel	NM / Secretariat	21/05/08
Voting Ends	Parties	05/06/08
Authority Determination Due	Ofgem	04/07/08
Implementation	Secretariat	06/11/08

#### **7 ANY OTHER BUSINESS**

- 7.1 There were no additional items of business.

#### **8 DATE OF NEXT MEETING**

- 8.1 No further meetings of the DCP 008 Working Group have been convened.

## 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. <a href="#">Ongoing, Parties to assess when DCP is fully defined.</a>	All
08/01	Update DCP 008B to reflect the standard clauses in DCP 008A and DCP 008D	LH
08/02	Update DCP 008A to include the revised definition of vulnerable customer and the Distributors right to determine if a customer is vulnerable	EL
08/03	Update the proposed implementation date to June 2009 in each variation	EL
08/04	Provide a view as to whether there are any competition issues associated with the implementation of any of the variations.	DM
08/05	Provide the business justification for its variation for inclusion in the Change Report	LH, JL & GS
08/06	Draft and circulate the Change Report	EL

### Closed Actions

Action No.	Description	Owner
07/01	Update legal drafting to reflect this discussions at the meeting	GW
07/02	Review DCP 008B and send comments to CE Electric	All
07/03	Send DCP 008B to Wragges for legal review	EL
07/04	Update Consultation document and issue to Parties for comments	NM
07/05	Review Consultation document and send comments to Nigel Menzies	All

07/06	Issue Consultation document to Parties	EL
-------	--	----