

# DCP 349 Working Group Meeting 02

16 January 2020 at 10:00

Teleconference

Attendee	Company
<b>Panel Members</b>	
Andrew Sherry [AS]	ENWL
Claire Campbell [CC]	Scottish Power
Donald Preston [DP]	SSE
Karl Maryon [KM]	Haven Power
Megan Coventry [MC]	SSE
Richard Adams [RA]	Ofgem
Richard Ellis [RE]	Western Power
Richard Jerreat [RJ]	EDF
<b>Code Administrator</b>	
Richard Colwill [RC] (Chair)	ElectraLink Ltd
Melissa Kendal [MK] (Secretariat)	ElectraLink Ltd

Apologies	Company
Kit Dixon [KD]	Good Energy
Rox Inskip [RI]	Social Energy

## 1. Administration

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- 1.1 The Chair welcomed the members to the meeting.
- 1.2 The Working Group reviewed the “Competition Law Guidance”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.3 The Group approved the minutes of the last meeting, held on 2<sup>nd</sup> September 2019, as an accurate record.

## 2. Purpose of the Meeting

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- 2.1 The Chair set out that the purpose of the meeting was to review the consultation responses received and agree the next steps.

## 3. Review and Respond to Consultation Feedback

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- 3.1 The Working Group reviewed the DCP 349 Consultation feedback responses and an updated version can be found as Attachment 1.
- 3.2 In summary, the Working group concluded that an impact assessment was needed to further justify the need for this change and the proposed solutions. It was agreed that an RFI would be sent out to DNOs to include:
  - Supplier failures over the last 24 months
    - What form of credit were they using at the time and what were the associated costs?
  - Number of Suppliers who will be affected by this change if applied retrospectively and thoughts on how to make this process work.
  - Is it believed that the current calculations for the User’s Credit Allowance based on the Independent Credit Assessment poses a significant risk?
- 3.3 It was noted that there were numerous other industry activities relating to this subject and therefore it was agreed that a risk log would be created to ensure that we give appropriate consideration to these activities.
- 3.4 In relation to the above one particular comment raised in the consultation was as follows:

*IGT132 under the IGT UNC has been raised to provide IGTs with the option to apply credit arrangements with Shippers. The initial drafting is based partly on DCUSA Schedule 1 obligations, and on the assumption that DCP 349 is approved. Should details from this change proposal alter, these should be captured and communicated for consistency across the industry. However, note that the IGT UNC change is not dependent on the DCUSA and instead aimed solely for reference.*

The Secretariat took an action to make initial contact with IGT UNC regarding their change (IGT132) to check for cross-code implications. This information will be fed back to Working Group members.
- 3.5 The key actions coming from the review can be found below:

**ACTION 02/01: Secretariat to create a request for information (RFI) for DNOs to look at the impact of good payment history and how this change will impact the independent credit allowance.**

**ACTION 02/02: Secretariat to create a draft risk log and circulate to Working Group members for feedback**

**ACTION 02/03:** Secretariat to initiate contact with IGT UNC regarding their change (IGT132) to check for cross-code implications.

## Next Steps

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- 3.6 The Secretariat is to draft a RFI document and circulate to the Working Group for comments. Once approved this will be issued to DNOs for a period of three weeks.
- 3.7 The Secretariat is to draft a risk log to include the various different workstreams being undertaking across the industry that relate to credit cover. This will be circulated to the Working Group for comment and reviewed at the next meeting.

## 4. Agenda Items for the Next Meeting

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- 4.1 The Working Group agreed to add the following items to the agenda for the next meeting:
  - Review the RFI feedback and consider the impacts of this CP.
  - Further define the solution and proposed legal text.
  - Determining next steps

## 5. Any Other Business

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- 5.1 There were no further items of AOB, and the Chair closed the meeting.

## 6. Date of Next Meeting – 26 February 2020

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- 6.1 The Working Group agreed that the next meeting will be held on 26 February 2020. This will be a Teleconference.

## Appendix 1 – Actions Log

### New and Open Actions – (Open/Closed Session) or (Board)

Ref.	Action	Owner	Update
<b>02/01</b>	Secretariat to create a request for information (RFI) for DNOs to look at the impact of good payment history and how this change will impact the independent credit allowance.	ElectraLink	
<b>02/02</b>	Secretariat to create a draft risk log and circulate to Working Group members for feedback	ElectraLink	
<b>02/03</b>	Secretariat to initiate contact with IGT UNC regarding their change (IGT132) to check for cross-code implications.	ElectraLink	