DCUSA

DCP 390 Working Group Meeting 03

16 August 2021 at 10:00am
Teleconference on Teams

Attendees	Company
Frank Bertie	NAPIT
Finn Davies-Clark [FDC]	SSE Business Energy
Paul Abreu [PA]	Energy Networks Association (ENA)
George Barnes	Utilita
Jonathan Elliott [JL]	Certsure
Paul Morris [PM]	UK Power Networks (UKPN)
Richard Hill [RH]	Centrica
Andrew Sherry [AS]	ENWL
Simon Wilson [SW]	EDF Energy
Ian Crawley	SSEN
Kevin Liddle	NPg
Martyn Allen	Electrical Safety First
Secretariat	
Richard Colwill [RC] (Chair)	ElectraLink
Apologies	
Steve Halsey [SH]	UKPN
Geoff Huckerby [GH]	Power Data Associates

1. Administration

1.1 The Chair welcomed attendees to the DCP 390 working group meeting.

1.2 The Chair reminded members to act in accordance with the terms set out in the DCUSA "Competition Law Guidance" for the duration of the meeting.

1.3 The Working Group reviewed the minutes from the last meeting and agreed that the minutes were an accurate reflection of the discussions held, with the exception that Jonathan Elliott was missed off the attendance list. An updated version can be found in Attachment 1.

1.4 The Working Group noted the items on the actions list from the last meeting. Updates on all actions are provided in Appendix A.

2. Purpose of the meeting

2.1 The Chair explained the purpose of the meeting was to address any outstanding concerns in relation to some members concerns regarding the competition act and review the proposed solution with the aim of issuing an industry consultation.

3. Review of legal advice regarding competition concerns

3.1 At the last meeting the Working Group reviewed legal advice regarding a concern raised in relation to the competition act. The view from the legal advisors was that there was not an issue and provided the following response:

1. Competition is a complex area of law, and in order to be definitive, we would need to better understand the concern and the nature of the markets involved. However, our initial view is that the concern is unmerited, for the reasons described below:

    a. It is not apparent that a significant degree of competition currently exists between electricity suppliers and distributors in relation to the provision of customer-requested isolations (e.g. we are not aware that customers are generally able to obtain competing quotes from their electricity supplier, and the relevant distributor, and then select the most competitive offering). Against the background, it is not obvious that the proposal would reduce existing competition.

    b. In addition, the proposal does not seek to prevent approved contractors and/or distributors from undertaking the actual work, but instead seeks to position a customer's electricity supplier as the central point of contact with which the customer deals in the first instance. In this context, we anticipate that the majority

of customers would generally approach their electricity supplier in the first instance in relation to customer-requested isolations.

c. Suppliers can of course choose to employ their own staff to undertake customer-requested isolations, but would also be able to sub-contract this work to approved contractors and/or to the relevant distributor. Given that a number of electricity suppliers may not wish to invest in their own staff undertaking this work, the proposal may be expected to increase:

   i. demand from electricity suppliers for services in relation to customer-requested isolations; and
   ii. competition amongst approved contractors and/or distributors to provide these services to electricity suppliers and fulfil this additional demand.

d. Electricity suppliers operate in a competitive market, with customers free to choose and change supplier. Electricity suppliers are therefore subject to competitive pressures to provide positive customer experiences. A customer who was unhappy with the service/price provided by its electricity supplier in relation to a customer-requested isolation could "shop around" and change supplier. In so doing, the customer would be able to consider which electricity suppliers offered lower priced services, and/or could provide the services within shorter time periods. Customers' ability to switch suppliers in this context may be expected to result in greater competition:

   i. between electricity suppliers in relation to the provision of customer-requested isolations (e.g. on price and non-price parameters); and
   ii. amongst approved contractors and the distributor providing these services to electricity suppliers.

2. Overall therefore, our initial view is that positioning the customer's electricity supplier as the central point of contact for customer-requested isolations may be expected to:

   a. benefit customers by giving them (i) greater clarity and certainty in relation to the process and central point of contract; and (ii) the possibility of switching electricity suppliers to obtain better terms for customer-requested isolations (e.g. as a consequence of there being greater competition between electricity suppliers in relation to this aspect); and

   b. increase (i) demand from electricity suppliers for services in relation to customer-requested isolations; and (ii) competition amongst approved contractors and/or distributors to provide these services to electricity suppliers and fulfil this additional demand.

3.2 It was noted at the last meeting that some competitive tendering did exist and would this alter the legal opinion in any way. An action was taking to seek further legal advice.

3.3 One aspect of the response from the legal advisors was as below:

The context in which we made the statement to which you refer concerning competition was my understanding that only Distributors or Suppliers could undertake safe-isolations, and that where Suppliers are to undertake safe-isolations they can contract this work to a willing Distributor (or approved contractor).

3.4 The Working Group confirmed that the above statement is correct in that only a Distributor or Supplier (who can contract to a Distributor or approved contractor) can undertake the work. Therefore, the Working Group concluded that there are no concerns in relation to competition as a result of this change.

4. Review of solution and industry consultation

4.1 It was noted that one member had asked for a few questions to be posed to DNOs in relation to whether they install isolators and how many requests they receive. After review, the Working Group concluded that this would be covering work previously completed in the Safe Isolations Working Group, where this issue was initially raised. It was noted that the intent of this CP is to establish a responsible Party and to establish a process for customers and electricians to follow.

4.2 The Working Group reviewed the proposed process map detailing the expected customer journey. Key points from these discussions are below:

- To issue the consultation initially on the proposer view that an appointment slot should be provided within 10 working days of request, unless otherwise agreed with the customer and ask for industry views on this.
- To issue the consultation initially on the proposer view that if approved this CP should be implemented in the first DCUSA release following Authority approval and seek industry views on this.
- If an isolator is not to be fitted, re-energisation should happen on the same day, unless otherwise agreed by the customer.

4.3 The Secretariat took an action to produce a first draft of the consultation and issue to Working Group for comment. This was issued to members on 17 August, with an opportunity for comment by midday 20 August.

Post meeting note

4.4 A consultation was issued to industry on 23 August, with a deadline for responses set for 14 September.

4.5 The consultation documentation can be found in Attachment 2 of these minutes.

5. Next steps

5.1 The next step is for the Working Group to review consultation responses received and a meeting will be scheduled shortly.

6. Next meeting date and agenda

6.1 The next DCP 390 Working Group will be agreed via Doodle Poll.

New and open actions

Action Ref.	Action	Owner	Update
03/01	Working Group to issue DCP 390 consultation.	ElectraLink	Completed