

DCP 411 Working Group Meeting 04

13 January 2023 at 14:00 - Web-Conference

Attendee	Company
Working Group Members	
Brandon Rodrigues [BR]	Espug
Chris Ong [CO]	UKPN
Claire Campbell [CC]	SPEN
David Fewings [DF]	Inenco
Diandra Orodan [DO]	BUUK
Donna Jamieson [DJ]	Energy Assets
Edda Dirks [ED]	SSE
Ian Chadwick [IC]	Murphy Group
Kara Burke [KB]	NPg
Kevin Woollard [KW]	British Gas
Lee Stone [LS]	E.ON
Peter Waymont [PW]	UKPN
Tracey Dunne [TD]	ENWL
Victoria Burkett [VB]	SSE
Code Administrator	
Craig Booth [CB] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Apologies	
Lorna Mallon [LM]	Scottish Power

1. Administration

- 1.1 The Chair welcomed attendees to the second DCP 411 Working Group (WG) meeting.
- 1.2 The group reviewed the “Competition Law Guidance”. All members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.3 The group reviewed the minutes from the previous meeting and agreed they are an accurate record of events. The final version of the minutes can be found as **Attachment 1**. Details on the open actions can be found in **Appendix 1**.
- 1.4 Action Updates
- 1.5 **03/01** – The Chair informed the group of the four stages:
 - ‘New’ and ‘Registered’ – MPAN has been generated, but the top line is not yet complete.
 - ‘Traded’ – When the cable goes live.
 - ‘Disconnected’ – Still has a status of ‘Traded’ but the fuse has been removed and therefore de-energised.
- 1.6 The Chair informed the group that there was no information found regarding dates/times. Effectively, the MPAN is registered for a future date and the traded date will be in line with this.
- 1.7 **03/02** – The Working Group were not satisfied with the outcome from NGESO as they believe they do include de-energised sites under their transmission charges as they would need MPAN level data to distinguish whether a site is de-energised or not. Following this, the Chair agreed to take an action to investigate this further and update the Working Group in due course.

ACTION 04/01: The Chair to carry out further investigation into de-energised sites being included within transmission charges.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was for the Working Group to review the Consultation MPAN Data and agree next steps.

3. Review Consultation MPAN Data

- 3.1 The Chair invited ED to discuss the analysis previously undertaken with the Working Group for further discussion.
- 3.2 ED explained that the analysis showed that the majority of total de-energised sites were measurement class A. ED also carried out analysis around de-energised sites by the duration of de-energisation.

- 3.3 Analysis showed that around a third of sites were recently de-energised and another third were much older. Due to a number of Consultation responses stating the challenges in identifying and charging the Customers at de-energised sites, this may warrant further discussion as recently de-energised sites may be able to trace and potentially liaise with the Customer. Customers of older de-energised sites may be nearly impossible to trace and engage with.
- 3.4 In regard the majority of de-energised sites belonging to measurement class A, the Chair queried with the Working Group whether it is useful or not to target this group and whether this is discriminatory.
- 3.5 One member stated that there are Customers with unused capacity, but paying for it, that could be released to other Customers. With this, the solution should be targeting those Customers with the most capacity.
- 3.6 A member stated that downgrades in measurement classes should not be seen as a consequence of this change, although this cannot be completely ruled out. There is a cost bearing between half hourly and non-half hourly and so then could be considered as potential gaming if downgrades were to happen.
- 3.7 After further discussion, the Working Group agreed to continue to focus on measurement classes C and E (and no longer A).
- 3.8 In regard to measurement class C, ED pointed out that the analysis shows that the vast majority de-energised sites are 4 years or more – it was also noted that all de-energised sites 4 years or more total up to more than the total of all other time bands together.
- 3.9 With the above mentioned, ED suggested that it may be worth doing an additional sub-analysis relating to the age of the de-energised sites – The Chair carried out this analysis live during the meeting.
- 3.10 The analysis showed that for the CDCM, it is around two thirds of de-energised sites that are four years or more.
- 3.11 ED stated that there is currently a provision within the DCUSA whereby a Customer who is still de-energise after a number of years will go through a process to be disconnected; however, it is unclear how used this provision is.
- 3.12 It was suggested that additional wording could be included within this change suggesting a capacity level reset to a minimum level if the Customer would still want a connection.
- 3.13 ED informed the group of the below that is currently stated within Schedule 2B, Section 3, Subsection 12.11A:
- *'If at any time the Connection Point is De-energised for a continuous period exceeding 6 months, then the Company may (at any time thereafter while the Connection Point is De-energised, and having due regard to all the circumstances) give notice to the Customer that it considers that the connection is no longer required and request that the Customer responds in writing within 30 Working Days. Such notice must refer to the Company's right to*

Disconnect the Connection Point if it is not reasonable in all the circumstances for the Company to maintain it.'

3.14 Schedule 2B, Section 3, Subsection 12.11B states:

- *'Where the Company (having taken into account any representations and alternative proposals received from the Customer within the period referred to in Clause 12.11A) reasonably considers that the Company is not required under the Act to maintain the connection in respect of the Premises, then the Company may (save where the Customer has referred the matter to the Authority pursuant to the Act, and pending determination by the Authority) give notice to the Customer in compliance with section 17(3) of the Act and thereafter Disconnect the Connection Point thereby terminating this Agreement.'*

3.15 PW stated that if the Customer does not respond within the 30 WD period, it may be preferable to reduce the capacity to 0 as opposed to disconnection. If the Customer does respond and they request to keep their capacity amount as they will need it within the next 6 months, its suggested that they can be charged from this point.

3.16 It was also stated that DNOs already calculated capacity reservation charges and therefore the Customer could pay a charge to reserve capacity for future use as opposed to charging through DUoS. A risk to this could be that if all DNOs do not calculate the capacity reservation charges then this could lead to additional work being carried out for some. The proposer stated that this potential solution may not align with the change that is proposed.

3.17 ED suggested amending the current paragraphs 12.11A and 12.11B so that they also refer to the reduction of capacity – PW stated that the options are to do the above, charge de-energised sites for half hourly Customers, or both.

3.18 The main issue with charging across all sites is that the site that are de-energised for 4 years or more will not engage or send any response to the DNOs and may not be viable.

3.19 The Chair confirmed the potential options to explore for a solution:

- *Writing to the Customer.*
- *Amending the current Clauses within the DCUSA Schedule 2B, Section 3, Subsection 12 (12.11A and 12.11B) to provide the DNOs with the ability to reduce capacity.*
- *Charge the Customer for the retained capacity.*

3.20 VB stated that if a Suppliers Terms and Conditions does not explicitly state that they can reduce the Customers capacity, this may cause issues as it cannot be carried out unless explicitly stated. Terms and Conditions will need to be considered whilst working toward a potential solution.

3.21 Following the above, one member queried whether the Supplier Terms of Connection would state anything related to changes within the NTC as this could be a work around for the potential solution – VB was unsure but offered to have a read through their Terms on Conditions and confirm this with the Working Group.

- 3.22 After reviewing VB Supplier Terms and Conditions, the Working Group were under the impression that the potential solution to amend the NTC would undermine anything that is currently written.
- 3.23 The Chair noted that this could be included within the Consultation to review whether changes to the NTC within the Supplier Terms of Connection are included.
- 3.24 After reviewing VB Supplier Terms and Conditions, the Working Group were under the impression that the potential solution to amend the NTC would undermine anything that is currently written.

Amendment to Draft Legal Text – Review (can be found as Attachment 1)

3.25 PW suggested the below wording:

- *The Company may give notice to a Customer that considered that the capacity is no longer required.*
- *Removal of ‘the right to disconnect’.*
- *Where the Company considers that it is unreasonable for the Company to continue to make the capacity available to the Customer then the Company may reduce the capacity to zero and notify the Customer accordingly.*
- *Amend 12.11A to amend 6 months to either 12 or 24 months.*
- *Add 12.11C to state ‘Where the Company has not reduced the capacity to zero in light of representations from the Customer, DUoS charges shall apply in respect of the connection.’*

3.26 The Working Group agreed to the above amendments to the current NTC.

Draft Consultation Questions

3.27 The Working Group discussed and agreed to the below potential Consultation questions:

- *Do you have any concerns that the proposed changes to the National Terms of Connection have an impact on your terms and conditions with your customers?*
- *Do you support the changes to the National Terms as regards the 6-month period and the 12-month period, or should different periods apply?*
- *How should a DNO make it known to the Supplier that it will charge for a particular de-energised site that wants to retain its capacity?*
- *What are the impacts or challenges of charging a subset of de-energised sites?*
- *Are there any impacts to consumers (who may differ from the bill payer) in vulnerable situations, or could consumers be put in a vulnerable situation, as a result of charging de-energised sites?*

- 3.28 It was noted that the Working Group would consider a data cleansing activity to align all of the data, however after further consideration the Working Group agreed that if this change is implemented, this exercise would not be carried out due to the time it would take to complete with minimal benefit.
- 3.29 The Chair also stated that there was a question around where Customers request to disconnect to avoid charges, but the DNO refuses to do so, and queried whether this is still beneficial to draw out – after further discussion, the Working Group concluded that this would not longer be beneficial as this would appear as a separate issue and should be taken up separately to this change. This is ultimately out of scope of this change.
- 3.30 After further discussion, the Secretariat agreed to take an action to draft a Consultation document and circulate to the Working Group for review.

ACTION 04/02: The Secretariat to draft a Consultation document and circulate to the Working Group for review.

4. Next Steps & Work Plan

- 4.1 The Working Group discussed the next steps, and the following items were captured:
- The Secretariat to draft a Consultation and circulate to the Working Group for review.

5. Any Other Business

- 5.1 The Chair asked the group whether there were any other items of business to discuss.
- 5.2 There were no other items raised.

6. Date of Next Meeting

- 6.1 The next meeting has been scheduled for Monday, 23 January 2023 between 2pm and 5pm.

7. Attachments

- Attachment 1_DCP 411 Draft Legal Text
- Attachment 2_DCP 411 Workplan

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
03/03	Seek clarification on The Electricity Network Company Limited's response to question 2 of the consultation.	KC	Ongoing. The Chair agreed to follow this up with DO post-meeting.
03/04	Get more information on the rejections for disconnection requests, relating to British Gas's response to question 9 of the consultation.	GM	Ongoing. The Chair agreed to follow this up with GM post-meeting.
04/01	The Chair to carry out further investigation into de-energised sites being included within transmission charges.	The Chair	New Action
04/02	The Secretariat to draft a Consultation document and circulate to the Working Group for review.	The Chair	New Action

Closed Actions

Action Ref.	Action	Owner	Update
03/01	Check the process of creating a new MPAN, to understand the different stages the MPAN goes through, such a 'registered', 'traded', etc., and the dates this occurs.	The Chair	Closed.

03/02

Feedback to NGESO on the findings of the consultation that transmission charges do not include de-energised sites.

The Chair

Closed.