

DCP 414 Working Group - Meeting 08

13 April 2023 at 10:00

Location/ Web-Conference/Teleconference

Attendee	Company
Lee Stone (LS)	Npower
Chris Ong (CO)	UKPN
Claire Campbell (CC)	SPEN
Peter Waymont	UKPN
Pamela Howe	NPg
Kara Burke (KB)	NPg
Donna Jamison (DJ)	Energy Assets
Danielle Walton (DW0)	Ofgem
Ekpe Blessing (EB)	SSE
Code administrator	
Andy Green [AG] (Technical Secretariat)	ElectraLink
John Lawton (JL) Chair	ElectraLink
George Kestner	Electralink
Alysson Pera	Electralink
Apologies	
David Wornell (DW)	National Grid
George Moran (GM)	Centrica

1. Administration

- 1.1 The Working Group reviewed the “Competition Law Guidance” and “Terms of Reference”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting and agreed to the Terms of Reference
- 1.2 The actions from this Working Group have been captured in an action log. The action log can be found at **appendix 1**.
- 1.3 The Working Group reviewed the action log and closed action 5.1 as it had been confirmed that ENWL meant that there needed to be a consistent communication process when sharing data.
- 1.4 Actions 7.1 and 7.2 were closed as the consultation document had been updated and issued to industry parties.
- 1.5 Action 6.2 remained open as DW advised this was still being reviewed to decide on the best platform for the advice to be shared on.

2. Purpose of the Meeting / Timeline for Delivery

- 2.1 The Chair explain that the purpose of the Working Group was to review the responses to the 3rd consultation and, time permitting, review any potential legal text changes.

3. Review the Responses to Consultation 3

- 3.1 The Working Group started to review the consultation 3 responses; this can be found in **Attachment 1 _ DCP414_ Consultaion3**
Does Solution B require a derogation and if so, what type of derogation would be needed? Please provide rationale.
 - 3.2 The Working Group concluded that a derogation may be required and stated that legal advice from Gowlings should be sought.
 - 3.3 The Working Group also concluded that the changes to LC14 statemen would require a new DCP being raised at a later date.
 - 3.4 An action was taken by the secretariat to speak to Gowlings and confirm if they believe a derogation is needed for clause 19.1a.
When should the assessment commence, twelve months post migration or twelve months after the M15 milestone? Please provide rationale.
 - 3.5 Four respondents said the assessment period should commence 12 months after the M15 milestone, seven stated it should be 12 months post migration, and another offered no comment.
 - 3.6 The Working Group concluded that 12 months post migration would be when the assessment period opened as the window be taken forward for both solutions as this would mitigate the risk of a bottleneck being created for migration if the M15 milestone was used.
 - 3.7 As the M15 milestone was no longer going to be the date the assessment period would commence it was agreed to remove the M15 milestone reference from the legal text within solution B
How long should the assessment period last for each option? Please provide rationale.
-

- 3.8 Most respondents (nine) were in favour of a 6-month assessment period for both options.
- 3.9 SSEN stated they preferred eight months for option 1 and twelve months for option 2.
- 3.10 One respondent didn't offer any comment.
- 3.11 It was unclear what the response from Shell was trying to say so the secretariat took an action to speak with shell to clarify.
- 3.12 As the majority of respondents preferred a 6-month assessment period for both options, and as this is what the consultation stated, the Working Group concluded that an assessment period of 6 months for both options would be taken forwards.

Should customers only be moved to a site specific tariff if their calculated capacity is above 69kVA or should it be all customers in line with the current CDCM? Please provide your rationale.

- 3.13 The responses to this question were slightly mixed with six responses favouring only customers with a capacity above 69kVA being moved to a site-specific tariff.
- 3.14 Five respondents believed it should be all customers, one respondent didn't offer a comment.
- 3.15 The Working Group concluded that the change should be for all CT metered customers as this offered a true transitional approach which is what the proposal is seeking to achieve.

Should Domestic customers still retain optionality on whether to be charged on an aggregated basis or a site-specific basis? Please provide your rationale.

- 3.16 Most respondent (Six) said domestic customer should retain the optionality. Four said they should not, and 2 others didn't offer a comment.
- 3.17 Two respondents who believed domestic customers should retain optionality stated that domestic customers were out of scope for this change.
- 3.18 As the responses were slightly mixed and The Working Group were unable to gain consensus on this question it was agreed to take away the responses to the consultation for further consideration and discuss again at the next Working Group.

Which of the two Solutions do you prefer, Solution A or Solution B? Please provide your rationale

- 3.19 6 Respondents supported solution A and 6 supported solution B.
- 3.20 As there was equal support for both solutions in the consultation responses and as there was also equal support within the Working Group for both solutions, it was agreed that both solutions would be taken forward to voting.
- 3.21 Benefits to solution A are that its consistent with what happened previously with P272 and may be easier for customers to understand.
- 3.22 Benefits to solution B were noted as offers protection to customers as they would remain on the same tariff, and it would negate the potential for reverse migration.

Is there anything in either Solution that would be an improvement to the other Solution? Please provide your rationale.

- 3.23 Seven respondents stated neither solution had anything that would benefit the other.
- 3.24 Two respondents believed that the 69Kva threshold should be removed for both solutions.

- 3.25 One response stated that the 69Kva threshold should be used for both solutions.
- 3.26 One responder noted that there isn't an obligation on DNOs to proactively engage with customers. The Work Group concluded that changes within P272 cater for this as customers must specify their capacity and that it would be difficult for DNO's to engage without the 12 months' worth of data. This wouldn't stop customers engaging sooner if they wanted too however this may be unlikely.
- 3.27 The same responder to the above concern also raised a second concern around the retrospective application of charges. The responder also noted that there isn't any reference as to when these charges could be backdated to. The Legal text was updated to include "reasonably be applied" as this meant there was enough flexibility for DNOs to use some discretion whilst also giving the DNOs a position they'd have to defend.

Do you consider that Solution A better facilitates the DCUSA objectives? Please give supporting reasons.

- 3.28 Six respondents stated General objective 2 was better facilitated, five stated charging objective 2 was better facilitated, four believe charging objective 3 is better facilitated and four believe general objective 4 is better facilitated.
- 3.29 One response stated that no objectives are better facilitated by solution 2.
- 3.30 One respondent believed that charging objective 2 was negatively impacted, two stated charging objective 3 was also negatively impacted and another response stated that general options 1 and 2 were negatively impacted.

Do you consider that Solution B better facilitates the DCUSA objectives? Please give supporting reasons.

- 3.31 Four respondents stated that general objective 2 was better facilitated.
- 3.32 Six believed charging objectives 2 and 3 were better facilitated.
- 3.33 Three believed that charging objective 4 is better facilitated and one stated charging objective 6 was better facilitated.

What date do you believe this change proposal should be implemented for Solution A? Please provide rationale.

- 3.34 Four respondents supported 5 working days following authority approval,
- 3.35 One responder stated 6 months, based on system changes requiring at least 6 months' notice to update billing systems.
- 3.36 Another stated 3 months and also raised the point that potential system changes may require lead time.
- 3.37 Another April 2025
- 3.38 One respondent stated they didn't support the solution so didn't support any implementation date.
- 3.39 2 stated June 2023 could be achievable.
- 3.40 It was noted the voting period would last 3 weeks, then the authority would require circa 8 weeks to come to a decision. This meant it was unlikely a decision would be made before September/October.

Factoring in these times along with the 6-month lead time for most DNOs billing systems to be changed the solution wouldn't be able to be delivered until February at the earliest.

3.41 Based on the responses and system change limitations 01 April 2024 was concluded as the best date.

3.42 This date would also be in line with the regular DCUSA release for April 2024.

What date do you believe this change proposal should be implemented for Solution B? Please provide rationale

3.43 Six respondents favoured an implementation date of November 2023.

3.44 One stated 9 months following authority approval.

3.45 One stated 6 months following authority approval.

3.46 One stated as soon as possible.

3.47 One stated the implementation date should be in line with the MHHS programme.

3.48 Two respondents didn't state a preference.

3.49 Based on the feedback from Q10 the working group concluded April 2024 is the most suitable implementation date.

Do you have any comments on the draft legal text for Solution A?

3.50 Ten respondents offered no further comment.

3.51 One respondent stated that Clause 184 (b) was a little unclear as the use of the term date was ambiguous. The Working Group agreed and updated the legal text to state "reasonably applied". It was agreed that this would be sufficient as it gives the distributor some flexibility and means that they would have to evidence what reasonable was.

3.52 Another respondent suggested changing migration date to expected migration date, so the text allowed for reasonable changes to the migration dates. The Working Group agree and the updated the legal text accordingly.

3.53 The same respondent also stated that the requirement for suppliers to communicate the MIC to customers but sometimes suppliers would not be aware of MIC so they wouldn't be able to communicate this. The Working Group agreed and added "if known" to the legal text for solution A.

Do you have any comments on the draft legal text for Solution B?

3.54 One respondent highlighted some typographical errors that were corrected.

3.55 The same responder also highlighted the text for schedule 32 wasn't needed for solution B so needs removing. The Working Group agreed so this text was removed from solution B.

3.56 One Respondent believed that the process could cause confusion as it would be difficult to ascertain which CT metered customers would be site specific billed and which ones which ones would be on aggregated billing. It was noted within the Working Group that the new LLFCs that would be created as part of solution B could be used to differentiate between site specific billed sites and aggregated billed sites.

- 3.57 One respondent raised the same point they did for question 12 in that ‘migration date’ needed changing to “expected migration date” The Working Group again agreed, and the legal text updated.
- 3.58 The same respondent also believed that the table on page 37 should state Below 70kVA. The Working Group agreed, and the legal text was updated accordingly.
- 3.59 That Concluded the Working Groups review of the consultation responses. It was agreed that variants of solutions A and B would be taken forwards in the Change Report as there was a 50/50 split within the consultation responses for each solution and there was also an exact 50/50 split within the Working Group for each solution.

4. Next Steps

- 4.1 The Working Group agreed to meet again on 26 April 2023 at 10am to discuss the issues around domestic customers retaining optionality on whether to remain on aggregated billing or move to site specific and to also review the legal text and change report.

5. Attachments

- **Attachment 1 _ DCP414_Solution_A_Defaultv3.0**
- **Attachment 2 _DCP414_Solution_B_Aggregated_Tariffv3.0**
- **Attachment 3 _DCP414_Collated_Consultation3_Responses**

6. Next Meeting – 26 April 2023

- 5.1 The next Working Group is to be held on 26 April 2023 between 10:00am and 13:00pm.

Appendix 1 – Actions Log

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

Ref.	Action	Owner	Update
6.2	Danielle to explore if hosting information on Ofgems website for customers to educate them on what communications they could expect from suppliers and distributors.	Danielle Walton	Action to remain ongoing as unsure if the suggested forum for the comms is the most efficient to use and work currently underway to review is there are any other changes that could offer a better solution.
8.1	The Secretariat to contact Gowlings and seek advice on the potential derogation for clause 19.1a	Andy Green	New action
8.2	The Secretariat to contact the member from Shell and ask for clarity on what their response to question 3 meant	Andy Green	New action
8.3	The Working Group to consider whether domestic customers should still retain optionality on whether to be charged on an aggregated basis or a site-specific basis.	All	New Action

Closed – (Open/Closed Session) or (Board)

Ref.	Action	Owner	Update
1.1	Secretariate to produce a draft consultation and share with the Work Group on 11 November 2022.	Andy Green	Closed
4.1	Create a clean formatted version of the legal text ready to be issued with the second consultation.	Andy Green	Closed
4.2	Create a clean formatted version of the second consultation document and issue to industry on 10 January 2023	Andy Green	Closed
4.3	Kara Burke to send comments and feedback on the second consultation document to the secretariate and the secretariate to consider the suggested amendments	Andy Green	Closed
5.2	Lee Stone to raise with Elexon the prospect of introducing new measurement classes.	Lee Stone	Closed
5.3	Small sub group to create a solution based on the feedback from British	Lee Stone, Peter Waymont, David Wornell and George Moran	Closed

	Gas and Shell and feedback to the Working Group.		
6.1	Secretariat to update legal text for both solutions	secretariate	Completed
6.3	Secretariate to create and share draft consultation document prior to the next meeting.	secretariate	Completed
5.1	Secretariate to confirm with ENWL what they meant with their data sharing comment in their response to Q3	Andy Green	Closed
7.1	The Secretariate to update the consultation document with the relevant changes to schedule 16 within the summery of the legal text	Andy Green	
7.2	The Secretariate to update the consultation document and issue to parties on 16 March 2023 for a period of two weeks.	Andy Green	