

DCP 414 Working Group - Meeting 09

26 April 2023 at 10:00

Location/ Web-Conference/Teleconference

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

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 Chair confirmed he had contacted Gowlings for legal steer on whether a derogation is required for the charging statements. The Working Group were still unsure if a derogation was required as whilst the tariffs on the charging statements require updating for solution B, the actual charges themselves won’t be changing. This action remained open.
- 1.4 The Chair noted he was waiting to hear back from Shell on clarity around their answer for question 3 within the third consultation. This action remained open.
- 1.5 DWO advised that the team were still exploring options on how best to communicate the changes to customers in order to educate them on what this change entails and why it’s needed. DWO explained that as the communication process could potentially be required for other processes, they wanted to make sure that it could be used consistently for future changes. This action remained open.
- 1.6 The Working Group agreed to address the question around whether domestic customers retained their optionality to be remain on aggregated billing or be moved to site specific as they went through the final conclusions to the third consultation.

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 and finalise the conclusions to the responses and review the legal text changes. It was also noted that the change report will be reviewed if time permits.

3. Finalise consultation conclusions.

- 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 once the legal advice from Gowlings was sought around the LC14 statements. It was noted that Gowlings had been contacted for further steer and that this steer would inform the change report once its received.
When should the assessment commence, twelve months post migration or twelve months after the M15 milestone? Please provide rationale.
 - 3.3 12 months post migration was concluded by the Working Group as the assessment period that would be taken forward for both solutions.
How long should the assessment period last for each option? Please provide rationale.
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- 3.4 6 months post assessment period was concluded by the Working Group as the assessment period that would be taken forward for both solutions as the majority stated that this was the preferred window. It was noted that 12 months to collate data and an additional 6 months to agree a MIC is ample time to allow for suitable outcomes for distributors and customers.

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.

- 3.5 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.

- 3.6 The Working Group concluded that a decision on this topic wasn't required at this stage as P432 includes domestic customers so they could continue to remain on aggregated billing. It was also noted that at present, there isn't a capacity charge for domestic sites either so in the rare cases a domestic site wished to move on to a site-specific tariff, a new DCP would need to be raised for a new capacity charge to be created for domestic customers in the future. It was noted that the DUoS SCR changes could incorporate domestic site-specific charging. This action was closed within the action log.

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

- 3.7 The Working Groups conclusion were as a 50/50 tie within both the consultation responses and also within the Working Group, both solutions would be taken forwards for voting.
- 3.8 DW also noted an additional risk to solution A which was after P272, some sites had a default applied with little or no data as none could be obtained from site. As these sites were moved into the HH market, this lead to some areas requiring reinforcement which, once data was received wasn't needed. It was noted that their could be rare examples of inefficient reinforcement but, as the sites were CT the network should have been set up to accommodate such metering types.
- 3.9 It was also noted that these sites could have some sort of internal flag which could identify them as being migrated as part of P432/DCP 414 and if a default MIC was used then to pause any reinforcement until data received.

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

- 3.10 There were only a couple of areas highlighted for improvements to solution A and these can be found within **Attachment 1 _ DCP414_Consultaion3**.

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

- 3.11 Seven 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.
- 3.12 One response stated that no objectives are better facilitated by solution 2.

3.13 One respondent believe 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.

3.14 It was agreed that the responses to this question would be put into tabular form within the change report.

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

3.15 Four respondents stated that general objective 2 was better facilitated.

3.16 Six believed charging objectives 2 and 3 were better facilitated.

3.17 Three believed that charging objective 4 is better facilitated and one stated charging objective 6 was better facilitated.

3.18 As with solution A, it was agreed that the responses to this question would be place into tabular form within the change report.

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

3.19 Based on the responses and system change limitations 01 April 2024 was concluded as the best date after discussing within the Working Group due to the system changes mentioned by several DNOs. This date would be in line with the regular DCUSA release for April 2024 as well. It was noted the voting period would last 3 weeks, then the authority would have to make a decision so if a decision was made around September, this would be mean an additional 6 months for the system changes.

3.20 It was also noted that some of the Working Group members highlighted that whilst their systems were updated after P272 to cater for the Default MIC process, they had since started using new billing systems which had had updates to cater for default MICS updates.

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

3.21 The Working Groups conclusions to this question were the same as their conclusions to the previous question.

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

3.22 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 this clause within the legal text to provide clarity as to when the increase in MIC would take effect.

3.23 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.

3.24 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?

3.25 One respondent highlighted some typographical errors that were corrected.

- 3.26 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.
- 3.27 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.
- 3.28 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.
- 3.29 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.
- 3.30 The Working Group agreed that they had now made conclusions to all the responses within the third consultation save the er from Gowlings as to whether a derogation was required if solution B is taken forwards.
- 3.31 It was agreed that once this steer was received it would be shared with the Working Group and the conclusions to consultation 3 and the change report would be updated accordingly.

4. Review the Legal text.

- 4.1 The Working Group started reviewing the text for solution A.
 - 4.2 It was noted that the text within clause 184 (b) was still ambiguous as the date the increase in MIC would be applied.
 - 4.3 The Working Group updated this clause to explain the month the MIC breached the default value would be the date used to recalculate the new MIC.
 - 4.4 The legal text changes for solution A can be found in **Attachment 2 Solution A Default MIC**.
 - 4.5 There were no other changes to the legal text for solution A so the Working Group moved on to reviewing solution Bs legal text.
 - 4.6 The Chair walked the Working Group through the changes to the legal text for solution B. The Working Group were comfortable with the changes up to paragraph 182 within part 4 of schedule 16.
 - 4.7 The Legal text for this paragraph was updated to remove any reference to customers being in excess of 69kVA as the changes were going to now incorporate all CT customers. This paragraph was also updated to include how the MIC will be calculated where the no agreement is made with the customer.
 - 4.8 Paragraph 183 was updated to state above 70 kVA. It was noted by LS that this paragraph may no longer be required, and it was agreed to review this once JL was back.
 - 4.9 The Working Group confirmed they comfortable with the legal text changes to the National Terms of Connection although clause 182 amend to finish by referencing clause 12.16 of the National Terms of Connection.
 - 4.10 The legal text changes can be found in **Attachment 3 Solution B Aggregated Tariff**
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5. Review of Change Report.

- 5.1 It was noted that the voting window included the bank holiday.
- 5.2 Impacted parties were agreed to be DNOs/IDNOs and suppliers.
- 5.3 The Working Group were comfortable sections 1-4 but had run out of time to continue the review so they agreed to review the rest of the change report and gather feedback for the next meeting.
- 5.4 The drafted Change Report can be found in **Attachment 4 DCP 414 Change Report.**

6. Next Steps

- 6.1 The Working Group agreed to meet again on 04 May 2023 at 11am to complete the legal text for both solutions and review the change report.

7. Attachments

- **Attachment 1 _DCP414_Collated_Consultation3_Responses**
- **Attachment 2 Solution A Default MIC.V5.0**
- **Attachment 3 Solution B Aggregated Tariff v 5.0**
- **Attachment 4 DCP 414 Change Report.**

8. Next Meeting – 04 May 2023

- 5.1 The next Working Group is to be held on 04 May 2023 between 11:00am and 12:00pm.

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

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 Gas and Shell and feedback to the Working Group.	Lee Stone, Peter Waymont, David Wornell and George Moran	Closed
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	
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