

DCP 412 Working Group 17 Draft Minutes

09 August 2023 at 13:00

Location/ Web-Conference/Teleconference

Attendees	Company
Lee Stone (LS)	E.ON UK PLC
Matt Cullen (MC)	E.ON UK PLC
Simon Vicary (SV)	EDF
David Fewings (DF)	Inenco
Diandra Orodan (DO)	BU-UK
Edda Dirks (ED)	SSE Generation
Ryan Farrell(RF)	NPg
Louise Wardle (LW)	NPg
Kyran Hanks (KH)	Waters Wye
Mark Jones (MJ)	SSE
Code Administrator	
Craig Booth (CB) (Chair)	ElectraLink
Andy Green (AG)	ElectraLink
Apologies	
Chris Ong (CO)	UKPN

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

2. Purpose of the Meeting / Timeline for Delivery

- 2.1 The Chair explained that the purpose of this meeting is, review the draft consultation 2 document, and review the draft legal text.
- 2.2 The Chair advised that the minutes for the last meeting were not ready yet and that there were no additional actions agreed at the previous meeting that required the Working Group to review.
- 2.3 The actions from this Working Group have been captured in an action log. The action log can be found at [appendix 1](#).

3. Review of Consultation 2 document

- 3.1 The Chair advised that there was a paragraph that gave some steer on what was addressed in the first Consultation in section 4 however, it was currently quite far into the second consultation document. It was agreed to add some text earlier on in the consultation document stating that sections 1, 2 and 3 have not changed from consultation 1.
 - 3.2 It was agreed to revisit whether consultation 2 needed to ask questions if the responder understood the intent of the DCP and if the responder supported the intent of the change until the responses to the first consultation were received and understood.
 - 3.3 It was agreed to conduct a sense/cross reference check for consultation 2 once the responses to consultation 1 had been received.
 - 3.4 The Working Group agreed to take away the example illustrations for retrospective treatment and ask colleagues in their organisations, who hadn't been involved within the DCP 412 Working Group, if the illustrations made sense.
 - 3.5 The wording for question 18 was updated to be consistent with the wording used throughout the consultation document.
 - 3.6 It was agreed to update paragraph 5.21 to state *'The Working Group has discussed the issue of retrospectively re-banding, on an enduring basis, up to 12 months or back to 1 April 2023, whichever is latest, or whether there should be no retrospective re-banding.'* It was agreed that this would make it clearer to the reader on what the Working Group had agreed and getting this steer in earlier in the consultation would also help the reader understand the approach the Working Group intended to take.
 - 3.7 The Working Group discussed how far back retrospective treatment would be applied. It was suggested that maybe adding in some additional illustrations could help the reader of the consultation understand how the retrospective treatment process worked.
 - 3.8 The Working Group agreed that there would be 2 options if the answer to the above question was yes, which are below,
 - 01-April-2023, or;
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- 12 months.

- 3.9 The Working Group discussed if there should be a transitional period. The transitional period is the period during which customers with existing detriment (e.g., those facing the costs since April 2023) would be re-banded retrospectively.
- 3.10 This was put to a vote to within the Working Group as to whether a transitional period should exist. A majority of 7 out of the 10 Working Group members agreed there should be a transitional period. It was also agreed that there still should be a consultation question on this.
- 3.11 It was agreed to include the information of the vote on whether there should be a transitional window within the consultation leading into the question asking if there should be a transitional period.
- 3.12 The Working Group then discussed how long this transitional approach should be, and agreed the options of how long it should be were 3, 6, 9 or 12 months.
- 3.13 There was no strong position within the Working Group on how long the transitional period should be, so it was agreed to take a vote within the Working Group.
- 3.14 4 of the 10 Working Group members voted for a period of 6 months, 1 voted for a period of 3 months, 1 vote for a period of 9 months and none voted for a period of 12 months,
- 3.15 As there was no outright majority for any of the options offered, it was agreed to ask a consultation question on this.
- 3.16 It was agreed to ask a consultation question on how long the transitional window should be and to include some further illustrations on retrospective treatment and the transitional process. It was also agreed to note within the consultation that there was no majority within the Working Group on what the transitional period should be.
- 3.17 It was raised there could be a risk posed by a transitional window as the impact of this depends on the time it takes for this Change Proposal to be developed, voted on by industry and for a decision to be made by the Authority. It was noted that if the decision for implementation was not able to be made before April 2024, this means to address the detriment since 1 April 2023, when the TNUoS element of the residual was fully implemented, retrospective re-banding would need to be in excess of 12 months.
- 3.18 It was noted that the Working Group had unanimously voted to not retrospectively reband customers on an enduring basis in Working Group 16.
- 3.19 The Chair agreed to create a decisions log moving forwards so the Working Group could use it to refer to previous decisions the Working Group had made and how those decisions were arrived at. It was agreed to share this decisions log with the Working Group after this meeting.

4. Next Steps

- 4.1 The Working Group agreed to meet again on Wednesday 16 August at 2pm

5. Next Meeting

- 5.1 The next meeting will be Wednesday 16 August at 2pm.

Appendix 1 – Actions Log

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

Action Ref.	Action	Owner	Update
17/01	The Working Group to take the illustrations for retrospective treatment away to ask people within their organisations who hadn't seen the consultation document if they made sense	All	New action
17/02	The Chair to share a decisions document to with the Working Group	Chair	New action

Closed Actions

Action Ref.	Action	Owner	Update
11/02	The Secretariat to reach out to DNOs to see if they have experienced any cases where there may be a potential blocker to net zero (in relation to DCP 420)	Chair	Closed. <i>No update as of yet. Working Group agreed that this can be picked up as part of the Action list for DCP 420 as opposed to DCP 412.</i>
11/03	The Chair to respond to Ofgem to state that due to confidentiality risks of DNOs, the Working Group would prefer to state the impacts of this CP on TNUoS Customers only (not DUoS)	Chair	Closed. <i>Ofgem agreed that the analysis should be completed.</i>
12/01	LS to provide a proposers view of the impacted DUCSA objectives	Lee Stone	Closed. <i>The Consultation document has been updated accordingly.</i>

12/02	The Chair to share the panels steer on when to assess CPs against charging objectives, general objectives, or both	Chair	Closed. <i>This was circulated to the Working Group.</i>
12/03	The Chair to share updated versions of the legal text and consultation document prior to the next meeting	Chair	Closed. <i>This was circulated to the Working Group.</i>
14/04	The Chair to seek clarification on Ofgem's decision criteria based on the urgency status of the change.	Chair	Closed
10/01	Request half hourly data for the 95% threshold customers from DNOs to allow an assessment of how the bands change based on average daily or monthly maximum demand	Chair	Closed
10/02	Perform the same analysis on the customer data provided in action 10/01 above.	MC	Closed
10/03	Show the reduction in DNO income.	MC	Closed
11/06	LS to seek further information around the Distribution Licence in relation to DCUSA Objective 1.	Lee Stone	Closed
11/07	The Chair to seek further understanding of where consumer fairness fits in, in relation to the DCUSA Objective	Chair	Closed
14/01	The Chair to transfer the current Action 11/02 in DCP 412 action log over to the DCP 420 action log.	Chair	Closed
14/02	The Working Group to review paragraphs 6.4H (option 1 and option 2) and make a decision as to whether this should be removed from the draft legal text during the next meeting on 25 July 2023.	Working Group	Closed
14/03	The Chair to make a visual of the examples for the better understanding for the reader – once added within the Consultation document, the original written examples can be deleted.	Chair	Closed

DCUSA