

DCP 429 Working Group - Meeting 01

8 November 2023 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Laura Quinn [LQ]	SPEN
Peter Waymont [PW]	UKPN
Donna-Marie Butcher [DMB]	UKPN
Victoria Burkett	SSE Energy
Karl Mayon [KM]	Drax
Rebecca Nock [RN]	National Grid
Andrew Sherry [AS]	ENWL
Richard Elis [RE]	National Grid
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink
Alysson Peña [AP] (TecSec)	ElectraLink
Apologies	
N/A	

1. Administration

Recording

- 1.1 The Chair asked members if they were comfortable for this Working Group to be recorded. No members objected to this request. The purpose of this recording is purely to aid the Technical Secretariat in producing an accurate report of the meeting. The recording will be deleted after 15 Working Days.

Apologies

- 1.2 There were no apologies received for this meeting.

Competition Law Guidance and Terms of Reference

- 1.3 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.

Action Log and Decision Log

- 1.4 An action log and decision log has been created and all updates are provided in **Attachment 1 and 2** of these minutes.

Version Control

- 1.5 An updated version control document can be found in Attachment 3.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review the Change Proposal (CP), seeking initial views from Working Group members and establishing next steps.

3. Overview of DCP 429 ‘Obtaining an Independent Credit Assessment’

Why has the change been raised?

- 3.1 DBM walked the Working Group through the change proposal and explained that since the implementation of DCP 349, more users were seeking to use independent credit rating agencies instead of good payment history.
- 3.2 The proposer advised that their organisation has an agreement with a credit rating agency to gain reports and credit assessments however, as the legal text allows users to request an independent

credit assessment users tend to want to use a different credit assessment agency as some offer a higher allowance.

- 3.3 The proposer informed the group that most, if not all credit rating agencies charge for an annual subscription or can charge a large one-off fee.
- 3.4 Working group members agreed they understand the change raised.

What parties will be impacted?

3.5 It was noted that the following DCUSA Parties are impacted by this CP:

- Distribution Network Operators (DNOs)
- CVA Registrants
- Independent Distribution Network Operators (IDNO)
- Suppliers

What is the proposed solution?

- 3.6 This change proposal (CP) seeks to update DCUSA Schedule 1 Clause 2.6 that refers to the Company obtaining an Independent Credit Assessment from a recognised Credit Assessment Agency chosen by the User.
- 3.7 It was queried if the Supplier could demand the DNO to use a different credit agency. It was confirmed that a Supplier could demand this if they believed they could obtain a better rating elsewhere other than the DNOs usual credit assessor.
- 3.8 It was noted that this change would seek to make it so a Supplier could come to the DNO with a new credit report and the DNO would be able to use that report rather than going to the same credit rating agency, at a cost, simply for the credit rating agency to validate what the Supplier had already provided.
- 3.9 It was agreed within the Working Group to review schedule 1 to make sure that the current understanding was correct.

ACTION 01/01: The Working Group to review schedule 1, credit cover to confirm that the current understanding of the DCUSA text is correct.

4. Review and Discussion of Change Proposal - Initial views from Working Group members

Proposed Solution

- 4.1 It is for the purposes of determining CAF pursuant to Paragraph 2.5(a), the User may, once a year, provide an Independent Credit Assessment from a Recognised Credit Assessment Agency chosen by the User or accept the chosen Recognised Credit Assessment Agency by the Company.
- 4.2 The above gives the option for the supplier to provide it and if not, the DNO can choose one of their choices.
- 4.3 A Working Group Member noted that the DCUSA credit agency list within the DCUSA legal text needs to be updated as it makes reference to credit agencies that have had a name change. It also refers to the bronze, silver and gold services that Experian offer which is no longer the case. It was agreed that this change will be done as a separate and independent change proposal.

ACTION 01/02: The Chair to explore the legal text and related schedule to understand better the current status/process.

- 4.4 Working Group members were comfortable with the proposed DCP 429 solution.

5. Approach and Next Steps

- 5.1 As a result of this meeting, the Working Group agreed that a consultation should be issued to industry to seek views on the proposed solution. The Secretariat took an action to produce a first draft of the consultation and circulate to Working Group members for review.

ACTION 01/03: Chair to circulate a draft consultation for DCP 429 by 17 November 2023.

Post Meeting Note

- 5.2 The Secretariat issued a draft consultation to Working Group members on 16 November, with a request for feedback to review this consultation on 20 November.

ACTION 01/04: Working Group members to provide comments on the draft consultation by 20 November.

6. Agenda items for the next meeting

- 6.1 The working group discussed the next steps, and the following items were captured:
 - Review of consultation responses
 - Determine next steps

7. Review/ Update Work Plan

- 7.1 The Working Group reviewed the work plan and are comfortable with the current proposed timelines. The latest version of the work plan can be found in Attachment 4.

8. Any Other Business

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

9. Date of Next Meeting

- 9.1 The next Working Group meeting will be held on Monday, 20 November 2023.