

DCP 433 Working Group - Meeting 01

19 February 2024 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Edda Dirks (ED)	SSE Generation
Victoria Burkett (VB)	SSE
Lee Stone (LS)	E.ON
Laura Quinn (LQ)	SPEN
Georgia Preece (GP)	NPg
Robert Mottershead (RM)	Sedulity Energy Ltd.
Chris Baker (CB)	ENWL
Chris Ong (CO)	UKPN
Babatunde Olukotun (BO)	NGED
Micheal Hewitson (MH)	Trident Utilities
Hazel Patterson (HP)	SSE
Code Administrator	
Craig Booth (CB2) Chair	ElectraLink
Andy Green (AG) Tech Sec	ElectraLink

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.

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 433 ‘Limitation for backdating of rebates/charges under Schedule 32’

- 3.1 The intent of this Change Proposal is to amend Schedule 32 to ensure that processes which may result in the backdating of rebates/charges are reflective of the limitations within the current industry arrangements.
- 3.2 The proposer walked the Working Group through the details and the change proposal and explained that this issue was highlighted previously, and a derogation was raised and this change is seeking to update the legal text so future derogations for this issue will no longer be required.
- 3.3 ED raised a question around the timeline and queried if the backstop could only go back to April 2022, as per the TCR as the residual charge was only brought in back in April 2022.
- 3.4 CB explained that when this was originally raised it was agreed that the issue could go beyond 14 months, mainly due to sites needing to build up history on a sites energy usage so whilst the cut off point would still be April 22, for future reviews this could require backdating sites beyond 14 months if there wasn't accurate data to re-band against.
- 3.5 CO advised that it was something that the TCR had overlooked and was only identified last year when the annual reviews were taking place.
- 3.6 LS noted there already is a process that allows an LLFC to be updated beyond 14 months however that process wouldn't fully resolve all issues.

- 3.7 LS noted that the ESO don't reconcile beyond RF for TNUOS so this change would align both the DCUSA and CUSC processes.
- 3.8 CB agreed the alignment would be useful between the two codes and also noted the current process that allows the LLFC to be updated wasn't very efficient and is only for single sites and didn't allow for bulk updates so this change would support DCUSA objectives in making the process more efficient.
- 3.9 It was agreed that if this part of the process isn't clear for the Working Group, then it would be helpful to include an explanation or an illustrative timeline within the consultation, change report and other documents on how the timeline works currently and why the issue is currently being fixed via a derogation.
- 3.10 It was noted that the annual review process should mean that most reconciliations wouldn't need to go back beyond 20 months usually but a consultation question asking how far back DNO's have had to go back to in the past would be useful and also how practical it would be for this process to be carried out under a manual process.
- 3.11 It was discussed during the WG meeting whether IDNOs were affected by this Change Proposal. It was noted it would impact IDNOs in the same way as DNOs.
- 3.12 It was also suggested that asking a question, potentially in an RFI pre consultation on the impacts to customers when re-banding happened would also be useful in developing the solution as there would be some positive and negative impacts to customers, especially those that would have had charges back dated beyond 14 months.
- 3.13 The Working Group discussed if a good approach to understand the impacts to customer would be to send an RFI and to ask the following questions.
- how many sites did you have to reallocate at the last annual review;
 - How many sites that were reallocated went back 14 months;
 - What percentage of these sites were a decrease in charges verses an increase in charges;
 - How many sites remained in their existing banding under the last review;
- 3.14 It was agreed that having some working examples within the RFI would also be helpful for respondents as this would clearly display the processes timeline. These examples would also be shared within any further consultations and other documents regarding this change.
- 3.15 CO then went on to suggest that maybe the secretariat could ask the 6 DNOs to send them the data and the secretariate could aggregate the data and provide it as a national view for the Working Group so the RFI previously mentioned would not be needed. He noted this could save time as the Working Gorup wouldn't be waiting 3 weeks for a response and it would also mitigate any risks to sharing potentially commercially sensitive information as the data would be aggregated at a national level.

- 3.16 It was agreed that the secretariat requesting the files from the DNOs would be a more efficient process to follow to gain the information needed rather than sending an RFI as all the questions the RFI would ask could be answered by requesting the data from DNOs and for the secretariat to aggregate the information.
- 3.17 It was noted that when the change goes to consultation, consideration would need to be given to the impact to both suppliers and customers as there would be impacts to suppliers' processes and these could feed into passed on charges to customers.
- 3.18 It was agreed by the Secretariat to contact the proposer to add a little more context into the change proposal and to include this additional context in any other documents for this change.

4. Approach and Next Steps

- 4.1 It was agreed to send the DNO's the request for the re-banding data, allow time for the data to be received and aggregated before the next meeting.
- 4.2 It was agreed the date of the next meeting would be 14 March 2024 at 10am and the purpose of the Working Group would be to review the data sent back by the DNOs before attempting to develop a consultation and solution.

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 Working Group meeting will be held on 14 March 2024 at 10am.

Appendix 1 – Actions Log

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

Ref.	Action	Owner	Update
1.1	Secretariat to request files from DNOs and aggregate data in readiness for the next working group	Craig Booth	New action
1.2	The Secretariat to contact the proposer for DCP 433 to gain approval on adding in additional context to the change proposal	Craig Booth	New action