

DCP 433 Working Group Meeting 02

14 March 2024 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Victoria Burkett [VB]	SSE
Donna Jamieson [DJ]	IDCSL
Robert Mottershead [RM]	Sedulity Energy Ltd
Edda Dirks [ED]	SSE Generation
Chris Barker [CB]	ENWL
Michael Hewitson [MH]	Trident Utilities
Laura Quinn [LQ]	SPEN
Babatunde Olukotun [BO]	NGED
Lee Stone [LS]	E.ON
Ryan Farrell [RF]	NPg
Chris Ong [CO]	UKPN
Lorna Murray [LM]	SPEN
James Jones [JJ]	SSE
Code Administrator	
Craig Booth [CB]	Chair & Secretariat

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.

Competition Law Guidance and Terms of Reference

- 1.2 The Working Group reviewed the “Competition Law Guidance”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review the analysis following the recent RFI and agree the next steps, which would likely be a consultation.

3. Previous Minutes

- 3.1 The Working Group reviewed the draft minutes of the previous meeting and noted that IDNOs had been stated as not impacted. The Working Group agreed that this was not correct and the minutes should be corrected.
- 3.2 The Chair agreed to correct the minutes as follows: 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.

Action 1	Chair to correct the minutes.
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4. Change Proposal Discussion

Analysis

- 4.1 The Chair presented the output of the analysis on screen. The Chair noted that all DNOs had responded, which resulted in national coverage.
- 4.2 The Chair explained there were some caveats that the Working Group needed to be aware of:
- 4.2.1 not all RFI submissions contained effective from dates, so the analysis on the period of re-banding is limited; and
- 4.2.2 where dates were provided, many of these were set to 1 August 2022, potentially as a result of the derogation granted by the DCUSA Panel in September 2023, and that the analysis was therefore skewed.

- 4.3 The Chair presented a table showing how many sites had been re-banded, whether these were increases or decreases in banding, and by how many bands sites had been re-banded. See table 1.

Band Change	Sites	
-3	620	
-2	7867	
-1	32087	51%
1	25455	49%
2	10339	
3	3221	
4	1	

Table 1

- 4.4 The Working Group noted that if this CP was approved, a proportion of sites which would have become eligible for a rebate, or liable for a charge, beyond the proposed 14-month period, would miss out on the rebate, or avoid the additional charge, for the period between the date they were first charged the Old Charging Band residual fixed charge and the 1 August in the year of the Annual Allocation Review.
- 4.5 The Chair presented a table showing, of the sites for which there were dates, how many of these sites had been re-banded further back than 14 months. See table 2.

14 Months	Sites	
No	51648	
Yes	2558	4.7%
Blank	25384	

Table 2

- 4.6 The Working Group discussed that despite the caveats above, the data showed that some sites would have been backdated beyond 14 months.
- 4.7 The analysis, whilst noting the above caveats, showed that 4.7% of the sites had an effective from date prior to 1 August 2022, which if extrapolated to the entire volume would account for around 3,700 sites.
- 4.8 The Working Group also noted that the data in the analysis was based on the first Annual Allocation Review that has been performed since the implementation of the TCR and that the volumes were therefore expected to be lower moving forwards, though it was stated by some Working Group members that this would still likely amount to a few hundred sites.

Other Options

- 4.9 The Working Group discussed whether these sites could be assessed on a rolling monthly basis, to prevent them from missing out. It was discussed that the data on which the review is based is fixed and that assessing the sites on a monthly basis would not currently provide any benefit.
- 4.10 The Working Group noted that, under the Market-wide Half-Hourly Settlement (MHHS) arrangements that will come in in the future, the situation becomes worse as settlements processes will be reduced down from 14 months to 4 months.

- 4.11 The Proposer noted that changes could be made to the overall process, but that this Change Proposal was limited in scope to fixing the process so that DNOs can comply with the existing rules.

Information Pack

- 4.12 The Proposer shared an information pack that he had put together to explain the scenarios. See table 3 on the following page.

Customer Category	Site Type	Qualifying Criteria	Requirement to be Included in the Review	Maximum Potential Backdating
4.1 (b) (ii)	Site with MIC	No MIC data available (possibly a new connection with unconfirmed capacity)	Minimum of 12 months of MIC data	Up to 23 months (only 11 months available for prior review, so reviewed next year giving an extra 12 months) plus 3 months for the review process
4.2 (a) (iii)	HH settled no MIC	Less than 12 months of annual import consumption	Minimum of 12 months of metered data	Up to 23 months (only 11 months available for prior review, so reviewed next year giving an extra 12 months) plus 3 months for the review process
4.2 (b) (ii)	NHH settled no MIC	No EAC, so used default EAC	EAC from up to and including May of the review year	Depends on EAC availability, unclear what time scales might be.
4.2 (b) (iii)	NHH settled no MIC	No EAC or default, so used other basis	EAC from up to and including May of the review year	Depends on EAC availability, unclear what time scales might be.

Table 3

- 4.13 The Working Group discussed the scenarios and agreed that, for context, the pack should be included with the consultation as an attachment and that, ideally, the above table should be included in the body of the consultation. (Please note: the version above is the same as the one in the consultation. The pack is attached to these minutes as attachment 1.)

Consultation

- 4.14 The Working Group agreed to consult on the following key questions (in addition to the standard DCUSA consultation questions):

Do you agree with the proposal that the date for backdating rebates or charges under Schedule 32 should be limited to 1 August in the previous year, in line with the 14-month data availability for the Final Reconciliation ("RF") settlement run? Please provide your rationale.

Do you have any other solutions which could resolve the issue identified in this Change Proposal?

- 4.15 The Chair presented the timeline to Working Group which showed that, to achieve the desired implementation dates, assuming the Authority makes a decision in time, the consultation would need to be published on 18 March.

- 4.16 The Working Group agreed to review the draft consultation offline and in time to allow the Chair to publish the consultation to industry.

Action 2	Chair to draft first version of the consultation and issue this to the Working Group for review as soon as possible, by no later than 15 March.
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Change Proposal Status

- 4.17 The Working Group noted that despite the tight timescales, the status of this Change Proposal was set to a Standard Change. The Working Group considered whether it would be appropriate to retrospectively change the status of this to Urgent Change.
- 4.18 The Chair agreed to check whether it was possible to retrospectively change the status of a Change Proposal.

Action 3	Chair agreed to check whether it was possible to retrospectively change the status of a Change Proposal.
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- 4.19 The Chair explained that an Urgent Change may not provide any additional certainty, as it was his understanding under the DCUSA arrangements that the urgent status is assigned by Panel and does not commit the Authority to make its decision any faster.

5. Next Steps

- 5.1 The Working Group agreed to schedule the next two meetings, to allow time for reviewing the consultation responses and to produce the Change Report.
- 5.2 The next meeting will be held on 12 April 2024, 2:00pm to 5:00pm.
- 5.3 The following meeting will be held on 18 April 2024, 2:00pm to 5:00pm.

6. Any Other Business

- 6.1 No other business was raised.

New and Open Actions

Action Ref.	Action	Owner	Update
02/01	Chair to correct the minutes.	Chair	New action
02/02	Chair to draft first version of the consultation and issue this to the Working Group for review as soon as possible, by no later than 15 March.	Chair	New action
02/03	Chair agreed to check whether it was possible to retrospectively change the status of a Change Proposal.	Chair	New action

Closed Actions

Action Ref.	Action	Owner	Update
01/01	Secretariat to request files from DNOs and aggregate data in readiness for the next working group.	Secretariat	Closed
02/01	The Secretariat to contact the proposer for DCP 433 to gain approval on adding in additional context to the change proposal.	Secretariat	Closed