

DCP 412 Working Group Meeting 32

3 July 2024 at 14:00 - Web-Conference

Attendee	Company
Working Group Members	
Kyran Hanks	WatersWye
Edda Dirks	SSE Generation
Simon Vicary	EDF
Joe Boyle	SPEN
Victoria Burkett	SSE
Sally Musaka	SSE
Lee Stone	E.ON
Dave Wornell	NGED
Matthew Cullen	E.ON
Nik Wills	Stark
Chris Ong	UKPN
James Jones	SSE
Karl Maryon	Drax
Georgia Preece	NPg
Diandra Orodan	BUUK
Observers	
Thomas Holderness	Ofgem
Code Administrator	
Craig Booth	Secretariat
Richard Colwill	Chair
Apologies	
No apologies received	

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 advised that the purpose of the meeting was to review the draft consultation and draft legal text.

3. Previous Meeting Minutes

- 3.1 The Chair asked for any comments on the accuracy of the previous meeting minutes. No comments were recorded.

4. Open Actions

- 4.1 The Chair reviewed the outstanding actions.
- 4.2 The Chair confirmed that all open actions were completed, resulting in the issuing of the draft consultation and legal text. These actions are now closed.

5. Article 18 of Regulation (EU) 2019/943

- 5.1 The Chair explained that a query had been raised on whether DCP 412 was impacted by this regulation, which had been identified as a potential impact for DCP 420.
- 5.2 The Chair explained that during the course of getting legal advice from Gowlings, he had mentioned DCP 412 and had not received any feedback on concerns around DCP 412.
- 5.3 The Proposer did not believe that the regulation affected this CP, and that this CP did not discriminate against any specific user group(s) on the network. In addition, the Proposer stated that this was aligned with Non-Final Demand and eligible services, which are existing precedents.
- 5.4 A Working Group member suggested that this should be included in the consultation document and a question posed to Parties. A Working Group member suggested a better approach may be to seek advice from Gowlings at the same time as for DCP 420. The Proposer supported including this in the consultation document to gain further views for consideration.
- 5.5 The Chair proposed that the consultation is released and that the responses to the consultation could inform whether to seek guidance from Gowlings on this.

6. Draft Consultation Review

6.1 The Working Group reviewed the draft consultation.

One-step versus two-step process

6.2 The Working Group agreed to include analysis showing that the impact of the two-step process is similar or less than the one-step process. The Secretariat confirmed some analysis had been done and needed to be validated with Matt Cullen.

Action 32/01	Secretariat to book in meeting to review analysis with Matt Cullen.
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Opting out

6.3 The Working Group discussed whether there needed to be any limits placed on how many times or how often a customer can opt out of being a HCULU customer and then re-apply. It was noted that there was a limit on how many times per year a customer may apply. The Working Group did not have any strong views on additional limits being required.

Price Control Period

6.4 The Chair queried whether the requirement for the customer to reapply for HCULU status should be included as guidance in some form. The Working Group noted that this could be included in the DNOs' charging statements, which would be visible to both Suppliers and customers.

7. Draft Legal Text Review

7.1 The Working Group reviewed and updated the draft legal text.

8. Next Steps

8.1 The Secretariat will issue the consultation.

8.2 The next meeting will be on 5 August 2024 at 10:00 to 13:00.

9. Any Other Business

9.1 No other business was raised.

New and Open Actions

Action Ref.	Action	Owner	Update
Action 32/01	Secretariat to book in meeting to review analysis with Matt Cullen.	Secretariat	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. 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.
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. Ofgem agreed that the analysis should be completed.
12/01	LS to provide a proposers view of the impacted DUCSA objectives	Lee Stone	Closed. The Consultation document has been updated accordingly.
12/02	The Chair to share the panels steer on when to assess CPs against charging objectives, general objectives, or both	Chair	Closed. This was circulated to the Working Group.
12/03	The Chair to share updated versions of the legal text and consultation document prior to the next meeting	Chair	Closed. This was circulated to the Working Group.
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. Complete data set has now been received by all DNOs. Analysis has started, and the number of

			Customers within the 95% threshold for 2022 has increased.
10/02	Perform the same analysis on the customer data provided in action 10/01 above.	MC	Closed. Complete data set has now been received by all DNOs. Analysis has started, and the number of Customers within the 95% threshold for 2022 has increased.
10/03	Show the reduction in DNO income.	MC	Closed. Complete data set has now been received by all DNOs. Analysis has started, and the number of Customers within the 95% threshold for 2022 has increased.
11/06	LS to seek further information around the Distribution Licence in relation to DCUSA Objective 1.	Lee Stone	Closed. No update as of yet.
11/07	The Chair to seek further understanding of where consumer fairness fits in, in relation to the DCUSA Objective	Chair	Closed. Internal view is that this is not a DCUSA issue to fix and is a licence issue. The Chair will discuss with Ofgem that they may want to look at this in the future.
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
17/01	Working Group members to share the illustrations with colleagues who hadn't had visibility of DCP 412 to check the made sense	All	Closed
18/01	Add definition of HCULU customer in consultation 2.	Chair	Closed
18/02	Simplify how the retrospective treatment process and reassessment process is explained with the consultation document	Chair	Closed
19/01	MC to review and update the paragraph that deals with shared capacity and the forward-looking access SCRs	Matt Cullen	Closed
19/02	MC to check in with LS on what the obligations are on suppliers to return any financial benefits received from distributors back to customers.	Matt Cullen	Closed
19/03	RF to report back to the Working Group on the outcome of a call taking place after this Working Group discussing how financial benefits are returned to customers and what obligations are in place to make sure customers receive the benefits.	Ryan Farrell	Closed
20/02	The Chair to map the processes as they currently stand for presentation at a future Working Group meeting.	Chair	Closed
20/03	BO to map the scenarios he has identified for the enduring retrospective re-banding.	BO	Closed
20/04	Chair to review the data and determine the number of customers that changed from year 1 to year 2.	Chair	Closed
21/05	Chair to share the council responses with the Chair of DCP 420.	Chair	Closed
22/01	Chair to contact respondent and clarify if they would be happy to have their response published in an anonymised form.	Chair	Closed

21/01	Chair to contact respondent to seek clarification on the two responses received.	Chair	Closed
23/01	Chair to update the minutes of meeting 22 to add a reference to the aforementioned documents.	Chair	Closed
26/02	MC to undertake additional analysis to understand the cost impact on other customers if the threshold is lowered (i.e 90%, 85%, 80%).	MC	Closed
27/01	Proposer to provide their current thinking on preferred approach.	MC/ LS	Closed
20/01	Working Group to consider questions it would like Ofgem to consider (this action will remain on hold until after the review of consultation 1 responses has been completed.)	Working Group	Closed
21/02	Working Group to consider what additional analysis is required after the consultation 1 responses review is completed.	Working Group	Closed
21/03	Working Group to discuss additional re-banding considerations after the consultation 1 responses review is completed.	Working Group	Closed
21/04	Chair to add the split criteria to the analysis as variables.	Chair	Closed
21A/01	Chair to locate or create a 'statement of facts' document that concisely summarises the principles and decisions implemented under the TCR.	Chair	Closed
21A/02	Working Group to add clarification/justification for how customers become eligible for HCULU status and for spreading the remaining residual charges over other customers.	Working Group	Closed
22/02	Chair to facilitate the expansion of the impact assessment to cover customers who exceed their MIC by 5% and 10% respectively.	Chair	Closed
26/01	Working Group to conclude on how customers who have exceeded their MIC will be treated.	All	Closed
26/02	MC to draft a process for how this second step (DNO discretion) could work.	MC	Closed

28/01	Produce legal text based on proposer's preferred approach.	LS	Closed
28/02	Update consultation document in relation to discussions to date.	Secretariat	Closed
30/01	Take change of intent to Panel and ask Panel to consider whether the change of intent is necessary.	Chair	Closed
31/01	Secretariat to update the title and intent of the CP on the DCUSA website.	Secretariat	Closed
31/02	Secretariat to add a paragraph to the consultation to explain the change of title and intent (as paragraph 1.2)	Secretariat	Closed
31/03	Secretariat to update the consultation to summarise the issue.	Secretariat	Closed
31/04	Secretariat to add a question to the consultation around the customer being able to opt out.	Secretariat	Closed
31/05	Secretariat to review the consultation to ensure definitions are in the correct place in the document.	Secretariat	Closed
31/06	Secretariat to update the consultation to expand on the explanation for the two-part process.	Secretariat	Closed
31/07	Secretariat to update the draft legal text.	Secretariat	Closed
31/08	Secretariat to add the summary of the issue around customers paying higher charges in the lower band.	Secretariat	Closed
31/09	Secretariat to add outcome of the above conversation in the consultation and add a question around 5.16 above.	Secretariat	Closed
31/10	Secretariat to add clarification around the impact to TNUoS charges as a result of the current proposed solution to re-band HCULU customers.	Secretariat	Closed