

Minutes

Meeting name	Special CUSC Modifications Panel
Date of meeting	25 th February 2015
Location	Teleconference

Attendees

Name	Initials	Position
Mike Toms	MT	Panel Chair
Jade Clarke	JC	Panel Secretary
Emma Radley	ER	Code Administrator
Patrick Hynes	PH	National Grid Panel Member
Paul Mott	PM	Users' Panel Member
James Anderson	JA	Users' Panel Member
Paul Jones	PJ	Users' Panel Member
Garth Graham	GG	Users' Panel Member
Abid Sheikh	AS	Authority Representative
Damian Clough	DC	CMP241 Proposer

Apologies

Name	Initials	Position
Ian Pashley	IP	National Grid Panel Member
Michael Dodd	MD	Users' Panel Member
Kyle Martin	KM	Users' Panel Member
Simon Lord	SL	Users' Panel Member
Bob Brown	BB	Consumers' Panel Member
David Kemp	DK	ELEXON

All presentations given at this CUSC Modifications Panel meeting can be found in the CUSC Panel area on the National Grid website:

<http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Panel-information/>

1 Introductions/Apologies for Absence

1. Introductions were made around the group. Apologies were received from Ian Pashley, Michael Dodd, Kyle Martin, Simon Lord, Bob Brown and David Kemp.

2 Presentation of CMP241 'TNUoS Demand Charges during the Implementation of P272'

2. DC presented the background to CMP241 and stated that it aims to solve an unintended impact of the implementation of BSC Modification P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'.
3. DC noted that meters are settled as either Non Half-Hourly (NHH) or Half-Hourly (HH) and that P272 introduces the requirement for Profile Classes 5-8 to be HH settled by April 2016. DC advised that when meters are transitioned from NHH to HH within the charging year, they will receive a NHH charge plus a HH charge resulting in the liability being greater than if they were only NHH or HH settled for the whole charging year. Depending on the contract with the end consumer, Suppliers will face increased liabilities or end consumers will face increased bills. DC advised that this

will lead to an over recovery (payable by Suppliers), which will reduce future allowed revenues (payable by all transmission users).

4. CMP241 aims to ensure that all meters within Profile Classes 5-8 moving to Measurement classes E-G post 1st April 2015 will be settled as NHH for the whole charging year up until the implementation of P272. DC noted that this will avoid meters being settled and charged as both NHH and HH within a charging year which would increase the demand liability.
5. DC advised that where there are consumers being settled as HH before 1st April 2015 (which was originally classed as Profile 5-8) their meters will be settled as HH if the Supplier provides National Grid with information before reconciliation in July 2016 and informs National Grid of its intentions before the start of the Triad season. DC noted that Elexon will send National Grid a data file showing demand data for all Profile Classes 5-8 which will be used at reconciliation as well as any Supplier data provided. DC confirmed that this data file would be on aggregate by demand zone. DC also noted that there would be a small proportion of the meters that have already switched to HH and therefore would be treated differently.
6. GG clarified that originally in P272 it was not proposed that there would be a transition from NHH to HH throughout charging year 2015/16 but rather that all would move over on implementation of P272 on 1st April 2016. However this was seen as impractical which is why this particular issue has risen quite late in the process.
7. JA asked whether there would be an option for customers to move across to HH metering to benefit from triad avoidance. DC stated that this would not be an option and noted that suppliers should have already done this if desired.
8. DC stated that CMP241 would reduce uncertainty and end user premiums by providing predictable charges which therefore better facilitate CUSC Objective (a); it would also avoid changing part charging year from NHH to HH so is more cost reflective and better facilitates CUSC charging Objective (b). DC also noted that the Proposal better facilitates the smooth introduction of a BSC proposal (P272) by minimising the transitional impact on Suppliers which better facilitates CUSC Objectives (a) and (c) and it also seeks to avoid over recovery by NGET and so therefore better facilitates CUSC Objective (c).
9. DC explained why urgency for CMP241 is sought stating that Suppliers are required to submit forecasts of annual demand for both HH and NHH (per demand zone) creating a monthly liability and if implementation of CMP241 is after 1st April 2015 there will be a commercial impact as Suppliers as a whole will be paying around £8m per month initially in overlapping charges.

3 Panel's view on CMP241

10. The Panel noted the Ofgem urgency guidance and agreed by majority that CMP241 should be considered as urgent as it is linked to an imminent issue and if not addressed it would have a significant commercial impact on Suppliers and end consumers. The Panel also agreed that it should be progressed through the urgent timetable as proposed with a slight amendment to allow for a longer consultation period if possible.
11. The Panel agreed that CMP241 will require a Workgroup and that this should be included within the proposed timetable submitted to the Authority. It was also noted that if an Ofgem view on urgency could be provided sooner than proposed and the first Workgroup meeting could be held a day early, the Workgroup Consultation could

be extended by one day. It was agreed that these changes would be made to the proposed timetable before submitting to Ofgem.

4 Next steps

12. It was noted that there were some clarifications of points within the CMP241 Proposal in the special CUSC Panel meeting. The Panel agreed that the minutes from the Panel meeting would be published before the Workgroup Consultation and any clarifications of points should be included within the Workgroup Consultation document.
13. GG noted that as a result of the urgency process, some parties may miss the opportunity to respond to the CMP241 consultations and that it would be helpful if the Code Administrator could ask Elexon to promote this Modification to the P272 Workgroup members and the respondents to the P272 consultations.

ACTION: JC to contact Elexon to ensure P272 parties are aware of CMP241 Workgroup and Consultation.

14. JC asked the Panel if there were any key issues that they would like included within the Workgroup Terms of Reference. PJ asked if the Workgroup could assess how Suppliers obtain demand data per meter and how this then feeds through to the end consumer bill with the objective of determining whether a Supplier can treat actual HH settled meters as NHH settled meters within their own systems for the purposes of applying TNUoS charges. JA also asked if the Workgroup could assess Suppliers' ability to provide metering data for Measurement Class E meters, which were originally within Profile Classes 5-8 and have moved to being Half-Hourly settled prior to April 1st 2015. JC noted that the draft Workgroup Terms of Reference would be drafted and sent out with a request for Workgroup nominations.