

## Governance of DPC working groups

### Purpose and scope

The purpose of the working groups is to provide a forum where network monopoly businesses and Ofgem can discuss ideas in an open environment.

The groups do not have to reach consensus views and will not have decision-making power. The groups' discussions will not preclude a full and open consultation on relevant issues in due course. The groups will cover the following areas:

- Dealing with uncertainty under price controls
- Incentive framework for efficiency and investment
- Assessing customers' willingness to pay
- Comparing quality of supply performance (i.e. developing a normalisation model)
- The structure of distribution charges

### Reporting

The reporting arrangements should reflect the purpose of the groups, which is to generate robust and focused discussions. Ofgem will produce a summary of key issues from each meeting, which will not identify the views of individuals, and which will be circulated to all members of the DPC working groups via [dpc@ofgem.gov.uk](mailto:dpc@ofgem.gov.uk), the email account set up for the working groups. Detailed minutes will not be produced.

Agendas and any material for discussion will be circulated to group members one week prior to each meeting. Agendas will be circulated to all DPC working group members via the above email address. If each group agrees, members may also wish to circulate any papers tabled for discussion more widely.

Members are not under any confidentiality requirement and will be free to report back to other parties on the issues that have been discussed. Given the open nature of the working groups, and to facilitate discussion we propose to send the summary of key issues to other network companies.

### Membership

Each group will be chaired by the Ofgem representative. The membership of each group will be fixed, but individual members will be allowed to send substitutes, provided the Chair is notified in advance.

### Timescales

Ofgem will review the progress of the groups in early 2003. Ofgem does not expect the groups to last past the start of the next distribution price control review.

### Organisation

Ofgem expects that the groups will meet, at a maximum, on a monthly basis (subject to diary constraints and/or as required). Dates and locations for each meeting will be set in advance by agreement between group members. Ofgem will not meet the expenses of any individuals invited to participate on the working groups and no funds are available for the commissioning of studies, etc.