

**Distribution Commercial Forum**  
**Credit Cover Sub Group**  
Minutes of Meeting held 3 May 05

**Attendees**

Louise Boland (Opus) (Chair) .....	LB	Mike Harding (YEDL) .....	MH
Amanda Rose (npower) .....	AR	Keith Munday (Bizz Energy) .....	KM
Melanie Chilcott (Scottish Power) .....	MC	Dipen Gadhia (Ofgem) .....	DG
David Edwards (Ofgem) .....	DE	Karl Williams (Western Power) .....	KW

**Apologies:**

Craig Neil (SSE) .....	CN	Carl Wilkes (npower) .....	CW
Steve Mckay (Ofgem) .....	SM		

**Minutes**

- 1) MC updated the group on legal funding. Melanie has organised for the legal drafting to be arranged through the COG by Tony McEntee. Tony will approach the Reg Group for funding to develop the legal text and will ask for volunteers from the DNOs to advise Wragge & Co during the drafting. Once they've done the drafting then it can go out for comment to ensure it reflects the agreed position. Tony stressed that the drafting stage is not meant to add further commercial points. The drafting is expected to take 1 month to complete.  
Funding will probably be arranged through the regulatory group, which as part of the Electricity Networks Association (ENA) has a budget.
- 2) MC provided a timetable to ensure implementation by 1 Oct, which necessitated the following deadlines:
  - handing the draft amended DUOSA to Wragge & Co by 1 June 05
  - handing the amended template DUOSA to DNOs by 1<sup>st</sup> July 05
- 3) There was general discussion with DE of Ofgem concerning who should carry out the further work needed on Credit Assessment Scoring and Collateral Rating. The options considered were:
  - A small working group consisting of NWO representatives acting under COG, or
  - A small working group consisting of NWO and Supplier representatives acting under the DCF Credit Cover Sub GroupMC agreed to ask Tony McEntee to recruit suitably skilled volunteers via the COG and to discuss whether it was considered helpful / appropriate for supplier representation.  
KM stated an interest in being part of the work group.  
LB agreed to speak to Michelle Simpson of NGT to see if they would also like to be involved.
- 4) There was some question over whether a supplier could switch each year between the Payment Record mechanism and the Credit Assessment mechanism for determining Credit Allowance. DH agreed to return with an Ofgem view.
- 5) AR questioned whether 2 working days was a practical timeline for increasing letters of credit.
- 6) KM raised the workings of Billing disputes (sch 6) and all agreed that the wording was confusing and ambiguous. Due to the complexity of this section it was agreed that KM will propose a different wording in discussion with Wragge & Co during legal drafting.
- 7) The group stepped through version 6 of the amended DUOSA and agreed wording changes. MH will circulate version 7 with the amendments.
- 8) Further meeting agreed for 18<sup>th</sup> May at 10.30. This will be for final review of the DUOSA prior to passing to Wragge & Co, and to go through the Issues List.