

Consolidation Group Minutes

24 November 2005 10.00am

Ofgem, 9 Millbank, London

Opening Remarks

Mike Harding (MH) opened the meeting and set out the agenda for the meeting.

MH highlighted that the intention for the meeting was to agree the content of a consolidated DUoSA. It was noted that although some small drafting issues could be carried forward and completed during the course of any further work which might take place in the area of distribution governance, it was the intention that substantive matters should be either agreed or highlighted as not capable of being addressed at this point. Matters falling into the latter category could either be left and resolved later should a multilateral agreement come into place, or be sent to determination under the terms of the current multilateral arrangements.

Chris Allanson (CA) noted that there was an appetite within the COG for this group to produce a consolidated DUoSA which it then consider with a view to serve the market with a consolidated DUoSA early in the new year. There was some discussion as to whether this would be a useful development, comments were made that it may be more beneficial to agree interim arrangements that would apply post CLM pre Go live of any new arrangements. CA agreed to feed these points back to the COG.

Payment Terms

David Tolley (DT) presented a [slide](#) summarising his view on the appropriate treatment of a range of payment related matters. A number of matters were discussed. It was agreed that DT would circulate an [updated version of the slide](#) to reflect the view of the Group. It was agreed that RB would develop some drafting in the legal text of the consolidated DUoSA to reflect the position adopted by the group (see pages 12 and 13, 16 and 17, 19, and 41 of the drafting circulated by RB in preparation for the meeting of 14 December).

Distributed Generation

Issue signed off

Housekeeping

Issue signed off

Connection Terms

The majority of the group agreed with the approach developed in relation to dealing with connection terms (*the signposting option*), Scottish and Southern being the dissenting party. They considered that under this option, supply contracts would not contain connection terms and therefore for the purposes of Scots Law, would not adequately bring to the attention of the consumer the terms of connection. This was not considered to be the case by the other Scottish part present – SP.

It was agreed that Roger Barnard (RB) would draft a paper detailing the solution proposed by industry, setting out, amongst other things, the terms which industry sought to exclude from the application of the Unfair Contract Terms Act and the liabilities which these terms covered.

It was recognised that if this solution was to be developed independent legal advice may need to be taken on the issue.

Credit Cover

The comments on the log of matters for further consideration drawn up subsequent to the September meeting of the group was considered, along with the comments received from British Gas and SSE.

The group covered clauses 1.1 to 2.13 when the meeting was brought to a close to the lack of time. It was agreed that the discussion would restart at clause 2.13 at the meeting of 14 December 2005.

Craig Neil (CN) confirmed he was happy with the treatment of clause 1.1.

RB confirmed he would do some drafting to address a concern expressed by KM in relation to the disputes drafting in 1.3. RB agreed that he would look again at the drafting of 1.3 more generally.

The group confirmed that the drafting of 2.1 should be such as to express that the DNO would give an answer without delay.

Agreed that further work on the Panel of companies providing an independent credit assessment would be required in relation to 2.7/8.

Agreed that the decimal points should be returned to the table at 2.9