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# CONSOLIDATED CONSULTATION RESPONSES

## R0145 – SERVICE TERMINATION ISSUE REPORTING (CHANGE TO CATEGORY 2 DOCUMENT)

On 27 November 2023, the Code Manager issued a consultation to industry to seek feedback on the Preliminary Change Report for R0145.

The purpose of this document is to consolidate the responses and for the Code Manager to answer any questions raised within those responses.

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| **DOCUMENT VERSION** | 1.1 |
| **RESPONSE TYPE** | **PUBLIC** |
| **DATE ISSUED** | 06/02/2024 |
| **RESPONSIBLE COMMITTEE** | Metering Expert Panel |
| **LEAD ANALYST** | Colette Baldwin |

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| **DATE CONSULTATION ISSUED** | 27/11/2023 |
| **RESPONSE DEADLINE** | 08/12/2023 |

| Question 1: | **Do you agree with the Code Manager's Recommendation that this change should be approved? Please provide your comments to support your response.** | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| National Grid Electricity Distribution<br><br>DNO | We consider that the code manager has failed to address the significant concerns raised by Network Parties regarding the voting arrangements under REC MEP which offers Supplier Party Category a vote on a crucial document that only involves Network Parties and MEMs and has the potential to determine Network Operator Operational Policy. We consider that the arrangements that existed under MOCOPA are not mirrored under REC and we therefore request a fundamental review of the matter to address Network Party concerns. On that basis, we cannot support the progress of this change unless Network Party concerns are first addressed.<br><br>The Service Termination Issues Reporting Guidance Document is entirely related to network equipment for which DNOs are responsible and hold liability. The document was created to assist Meter Operators to effectively report DNO equipment issues and reduce the large number of incorrect reports that were occurring before the existence of the guide. DNOs are responsible for ensuring the safety of their equipment and should be free to determine, in collaboration with MEMs, how best equipment issues should be reported to them from site. This relationship with MEMs has worked well and helped to improve the document to a point where it is now considered by all parties to be a valuable industry resource. DNOs find it concerning that the Code | The Code Manager notes the concerns raised by the DNO; however, we assert that we have sufficiently considered these points in exploring the alternative solution put forward by the DNO community.<br><br>The protection of any party from being detrimentally and unfairly impacted by a self-governance change decision rest with the appeal mechanism. Any party who feels that the outcome of a vote unfairly prejudices them may appeal a self-governance change to the Authority with 10 Working Days of the notification of the decision. This will allow them to put forward their arguments that the change should not be made.<br><br>We do not believe there is any evidence to demonstrate that the DNOs' responsibilities have been undermined in the change process or that the appropriate safeguards will not protect them should any party attempt to do so. |

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| | Manager has not taken action to address their concerns that Supplier Party category, under REC, now has influence on decisions taken regarding changes to the guidance. | Ofgem in their consultation for the creation of RECv2, recognised that the MOCOPA change process needed the right of appeal. This is set out in Schedule 5, allowing Parties the right to challenge any decision. This is not in place for Category 3 documents just now so the move to Category 2 will allow any Party, including DNOs, the right to appeal offering additional protections over the status quo. |
| Utilita Energy<br>Energy Supplier | Yes, Utilita agree with the Code Manager's recommendation for approval. Placing mandatory obligations on market participants in relation to reporting incidents of danger, damage or interference ensures compliance, and that future changes of where the document should sit longer term will be made in accordance with Schedule 5 as appropriate for such guidance. We agree that the solution ensures confidence in the Change Manager's operation of the change process. | Noted. |
| Scottish and Southern Electricity Networks<br><br>DNO | SSEN does not support the approval of this change R0145. The Service Terminations Issues Guide was developed between Networks parties and MEMs to aid in the correct identification and reporting of defects relating to DNO Assets, in a way that ensures safe working practice and appropriate notification to the DNO to enable resolutions. The current process of reporting and manging defects using the Guide works effectively to provide a positive customer journey and facilitates a standard response, particularly if defects delay the installation of smart meters. The guidance has been collaboratively developed over time, with a direct link to DNO Operational Policy, which is developed with safety and business considerations by the DNO companies. The Guide is required to be carried by all MEM agents, providing instructions on what constitutes as a service termination defect, how these defects are categorised and therefore the appropriate way in which they are to be reported and managed. This, in turn, relates to the expected DNO response and associated service levels the DNO is required to meet. | We recognise the appreciation of the MEM involvement in the development of Service Termination Issue Reporting document, and we see no reason why that collaborative approach between the DNO and the MEM will not continue under the REC.<br><br>With regard to comments made on the voting arrangements, please see the response to NGED's consultation response. |

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| | Ultimately, DNOs are responsible for ensuring the safety of their equipment and should be free to determine, in collaboration with MEMs, how equipment issues should be reported to them from site. This relationship with MEMs has worked well and has helped to improve the document to a point where it is now considered by all parties to be a valuable industry resource. Through pursuing the approval of this change, SSEN believes the code manager has failed to address the significant concerns raised by Network Parties regarding the voting arrangements under REC MEP which offers the Supplier Party Category a vote on a crucial document that only involves Network Parties and MEMs. This has the potential to dictate changes to processes that are working effectively and have the potential to impact customer journeys negatively. The Service Termination Issues Reporting Guidance Document is entirely related to Network equipment for which DNOs are responsible and hold liability. The voting mechanisms under REC MEP allow for the potential that parties other than the DNO would be able to influence DNO Operational Policy. We consider that the arrangements that existed under MOCOPA are not mirrored under REC and we therefore request a review of the matter to address Network Party concerns. On the basis of the concerns and context provided above, SSEN cannot support the approval of this change unless these matters are first addressed. | |
| Scottish Power Energy Networks<br><br>DNO | SPEN are not supportive of this recommendation.<br><br>We agree that the current Category 3 status is not appropriate.<br><br>The Service termination reporting process affects the safety of the Network and ultimately the safety of the end customer and as such, the recommendation would grant authority to 2 contractually conjoined parties neither of whom have Licence responsibility for these matters. | Noted.<br><br>We appreciate that acknowledgment that Category 3 governance is not appropriate.<br><br>While the network equipment is the responsibility of the DNO, the responsibility for the customer relationship is shared, and therefore suppliers and their agents are as invested in ensuring the safety of the Consumer. |

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| | The recommendation to change to a Category 2 will compromise DNOs authority to manage their processes, and may introduce additional risk to the safety aspect of our business.<br><br>For example, to support the necessary planning and organisation to make good on category B faults, CatBs, the DNO's must have authority over asset intervention and the overall safe operations of its network. The recommendation could impede the DNO's ability to address particular problems like CatBs with the required focus and with that the requisite planning and organisation.<br><br>Our view is that any recommendation must reflect the ENA maintenance of the document.<br><br>SPEN are disappointed that the comments previously provided have not been taken into account. | Ofgem in their consultation for the creation of RECv2, recognised that the MOCOPA change process needed the right of appeal. This is set out in Schedule 5, allowing Parties the right to challenge any decision. This is not in place for Category 3 documents just now so the move to Category 2 will allow any Party, including DNOs, the right to appeal. A move to management via the ENA would remove that right.<br><br>We note that when DCUSA change DCP044 was raised, the justification was to ensure a compliance, audit and assurance requirement in respect of the processes set out in the MOCOPA. At that time MOCOPA had a change framework that allowed MEMs and DNOs held equal control, ie 50/50 voting.<br><br>When approving DCP044 for recommendation to the Authority, 100% of the respondents to the change consultation supported the proposal.<br><br>The Code Manager believes that the DNOs have not changed their position in wanting the compliance and assurance regime across these activities, and that the transition from MOCOPA to the REC preserved those requirements, and the rights of the contracting parties to be equally represented, as is currently established in the REC. This includes all parties having the right of appeal. |

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| By BUUK<br><br>IDNO | No, in line with our previous responses and I/DNO views in general we do not agree. The proposal does not resolve the existing issues with the document as a Cat 3 - amending this to a Cat 2 document would still necessitate a consultation and vote under the REC MEP with the unacceptable risk that I/DNOs could be outvoted by other parties. The appeals process via OFGEM is not robust enough to offset the potential impact of external parties having the ultimate say on I/DNO operational policy. While we understand the REC's view on the appropriateness of having obligations contained within a Cat 3 document, as per our above answer, we do not believe that this fully resolves issues with the document. We reiterate that a change to the REC MEP Terms of Reference (TOR), section 5.8 to 'All matters will be decided by a simple majority, providing that a majority of votes in all three representative categories (Suppliers, Network Operators, MEMs) are in support of the majority position,' would resolve the issue. We do not believe that REC's previous response that there is no evidence of the current TOR drafting not working is a valid challenge, due to the newness of the terms, the extent to which these have been tested is limited. We would stress that the present proposals would in effect create a monopoly voting bloc of suppliers and supplier agents, due to the latter's business incentive to follow the supplier view. In these circumstances, I/DNOs would have limited alternatives to making a referral to OFGEM to seek a determination, resulting in delays and costs. Our view – having already obtained initial feedback on this from both the industry and REC – is that the proposed TOR wording restores the voting safeguarding measures previously included when this was under MOCOPA governance, with minimal additional work required to implement. | Please see the Code Manager's response to NGED's consultation response above. |
| Energy Networks Association<br><br>Networks | We consider that the Code Manager has failed to address the significant concerns raised by Network Parties regarding the voting arrangements under REC MEP which offers Supplier Party Category a vote on a crucial document that only involves Network Parties and MEMs and has the potential to determine Network Operator Operational Policy. We consider that the governance arrangements that existed | Please see the Code Manager's response to NGED's consultation response above. |

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| | under MOCOPA are not mirrored under REC and we therefore request a fundamental review of the matter to address Network Party concerns. On that basis, we cannot support that this change progresses unless Network Party concerns are first addressed.<br><br>The Service Termination Issues Reporting Guidance Document is entirely related to network equipment for which DNOs are responsible and hold liability. The document was created to assist Meter Operators to effectively report DNO equipment issues and reduce the large number of incorrect reports that were occurring before the existence of the guide. DNOs are responsible for ensuring the safety of their equipment and for meeting the DCUSA SLAs for Category A and B issues as covered by the guidance document. DNOs should be free to determine, in collaboration with MEMs, how best equipment issues should be reported to them from site. The relationship with MEMs has worked well and helped to improve the document over the last 10 years to a point where it is now considered by all parties to be a valuable industry resource. DNOs find it concerning that the Code Manager has not taken action to address their concerns that Supplier Party category, under REC, now has influence on decisions taken regarding changes to the guidance. | |
| Northern Powergrid<br><br>DNO | No.<br><br>Although we accept that there is a case to re-classify the document from category 3 to category 2 because it places obligations on MEMs, we cannot accept this proposal with the current change governance arrangements placed on a category 2 document within REC. | Noted.<br><br>There are only two change processes in the REC. Documents are changed either by<br>• the standard change process that applies to Operation documents and Schedules, which involves engagement with impacted Parties and formal decision making by the |

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| | The original guide was created in 2013 by DNOs in collaboration with Meter Operators under the governance of MOCOPA and provided guidance to Meter Operators working on DNO assets. DNOs have a statutory obligation under ESQCR to ensure that their assets are safe and each DNO has its own asset management and replacement policy funded through the distribution price control arrangements.<br><br>MOCOPA was an agreement between DNO and Meter Operator parties for safety, technical and interface requirements. Therefore, any changes to the guidance document had to be agreed between the two parties. This was the case for the length of time that the document was in existence under MOCOPA. In this proposal, any changes to the document would now be voted on by an additional party (the Supplier) on the Metering Expert Panel (MEP). Although we note the comment in the consultation that "members would act impartially and independently of the interests of their employer", MEMs do have a direct contractual relationship with Suppliers so those parties could naturally be influenced by each other when voting as the outcome of a particular vote could be mutually beneficial. This would leave the DNOs exposed to the other parties (MEMs and suppliers) dictating DNOs' asset management policy through this process, which is not appropriate.<br><br>We note the comment that the MEP terms of reference were designed to remove the potential for a blocking minority but the DNOs should have the right to veto any changes proposed in this case because the changes relate directly and only to the DNOs' assets. DNOs may also allow other parties to work on their assets e.g. contractors, so it is right that the ability of the DNO to set its own asset management policy is not compromised by this proposal. | Responsible Sub-committee. These are classed as Category 1 or 2, or<br>• for guidance documents (Category 3), through engagement and with the agreement of the responsible Sub-committee designated for the document and set out in the Baseline Statement.<br>Any change that creates obligations on Parties is subject to the Standard Change Process, which naturally will include consultation.<br><br>MOCOPA was a contract between the DNOs and the MEMs that was enforceable with audit and assurance and was not truly guidance. When DNOs looked to bring the MEMs into the MOCOPA, it was specifically to hold the MEMs to account and to have the audit and assurance framework around the work they were undertaking. You can view the change documents here: DCP044-MOCOPA<br><br>While the network equipment is the responsibility of the DNO, the responsibility for the customer relationship is shared, and therefore suppliers and their agents are as invested in ensuring the safety of the Consumer.<br><br>The Code Manager also notes that Schedule 5 and the MEM ToR allow any voting to abstain from voting if they so wish. |

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| | In summary, therefore, we consider that the Code Manager has failed to address the significant concerns raised by DNOs previously about the effect of the voting arrangements under REC MEP. We consider that the governance arrangements that existed under MOCOPA should be replicated for this document, at a minimum, and we would welcome a fundamental review of the matter to address the DNOs' concerns in that respect. | |

| Question 2: | **Do you agree with the proposed Implementation Date of 23 February 2024? If you disagree, please provide your rationale.** | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| National Grid Electricity Distribution<br><br>DNO | We consider that the arrangements that existed under MOCOPA are not mirrored under REC and we therefore request a fundament review of this to address Network Party concerns. On that basis, we cannot support that this change progresses unless Network Party concerns are addressed. | Noted, but not related to the proposed implementation date.<br><br>See comments above. |
| Utilita Energy<br>Energy Supplier | Yes, Utilita agree with the proposed implementation date. | Noted. |
| Scottish and Southern Electricity Networks<br><br>DNO | SSEN considers that the arrangements that existed under MOCOPA are not mirrored under REC and we therefore request a fundamental review of this to address Network Party concerns. On that basis, we cannot support that this change progresses unless Network Party concerns are addressed. SSEN cannot support the proposed implementation date as it does not seem to allow a feasible amount of time to review and address Network Party concerns. | Noted, but not related to the proposed implementation date.<br><br>See comments above. |
| Scottish Power Energy Networks<br><br>DNO | SPEN are not supportive of this change and believe that the arrangements that existed under MOCOPA are relevant and should be maintained, we therefore cannot support an implementation date for this, unless the DNO concerns are addressed. | Noted, but not related to the proposed implementation date.<br><br>See comments above. |
| BUUK<br><br>IDNO | In line with our above answers, we do not support the change as currently proposed and as such do not agree with the proposed implementation date. | Noted |
| Energy Networks Association | We consider that the arrangements that existed under MOCOPA are not mirrored under REC and we therefore request a fundamental review | Noted, but not related to the proposed implementation date. |

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| Networks | of this to address Network Party concerns. On that basis, we cannot support that this change progresses unless Network Party concerns are addressed. | See comments above. |
| Northern Powergrid<br><br>DNO | No.<br><br>We do not agree with the proposal itself, so we do not agree with the proposed implementation date. | Noted |

| Question 3: | **Do you agree with the proposed legal text? Please provide any comments.** | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| National Grid Electricity Distribution<br><br>DNO | The DNO's are concerned about the future governance of the document and want this matter addressed before changing the categorisation of the document. | See previous comments on NGED Q1 response. |
| Utilita Energy<br>Energy Supplier | Yes, Utilita agree with the drafted legal text and the statement to be added to the Version Control Table. | Noted. |
| Scottish and Southern Electricity Networks<br><br>DNO | SSEN does not agree with the proposed legal text without there having been a fundamental review taking account the concerns raised by Network Operator Parties. The DNOs are concerned about the future governance of the document and want this matter addressed before changing the categorisation of the document. | Noted, as per the response to NGED's comment. |
| Scottish Power Energy Networks<br><br>DNO | The DNO's are concerned about the future governance of the document **and the risks that the proposal introduces to our legal responsibilities (and potentially to customers), we would** ~~and~~ want this matter addressed before changing the categorisation of the document. | Noted, as per the response to NGED's comment. |
| BUUK<br><br>IDNO | In line with our above answers, we do not support the change as currently proposed and as such do not agree with the legal text. | Noted, as per the response to NEGD's comment |
| Energy Networks Association<br><br>Networks | The DNO's are concerned about the future governance of the document and want this matter addressed before changing the categorisation of the document. | Noted, as per the response to NEGD's comment |
| Northern Powergrid | No. | Noted, as per the response to NEGD's comment |

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| DNO | We do not agree with the proposal itself, so we do not agree with the proposed legal text. | |

| Question 4: | **Please provide any additional comments or details any concerns you have with the proposal.** | |
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| **RESPONDENT DETAILS** | **RESPONSE** | **CODE MANAGER COMMENTS** |
| National Grid Electricity Distribution<br><br>DNO | We have concerns regarding some of the statements in the change report:<br><br>"MOCOPA voting arrangements were considered during their development, and it was felt that due to the need to achieve a consensus position under MOCOPA, that those voting arrangements could lead to a deadlock situation which would result in changes being frustrated. The MEP Terms of Reference were designed to remove the potential for a blocking minority, so that changes were agreed by a majority of REC Parties."<br><br>The MOCOPA voting arrangements never lead to deadlock, as far as we are aware. MOCOPA parties were always able to reach consensus as all affected parties had to be persuaded to accept proposed changes. The way it worked under MOCOPA was fit for purpose and the continued improvement to the document over recent years is a testament to the success of the change process under MOCOPA. On occasions there may have been proposals that were put forward for matters outside of DNO scope of work and these could not progress on that basis.<br><br>The change report also states: | Noted and agreed that the wording used could have been better. This has been taken onboard and will be used as part of the Code Manager's continuous improvements. |

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| | "Since we have no evidence to suggest that the current governance arrangements are not working or have failed any particular category of REC Party, we cannot recommend progression of this alternative approach."<br><br>This issue has not arisen in REC because the opportunity has not been there for other parties to dictate operational policy to the network operators. If the status of the guidance is concluded, as is being proposed by REC Code manager, there is a very real risk that such a scenario will arise.<br><br>The change report also states:<br><br>"The Terms of Reference were designed to support the REC Objectives and required that in making decisions on changes, the Responsible Sub-Committees members would act impartially and independently of the interests of their employer (and of any person or class of persons) when exercising functions assigned to it under the REC."<br><br>Suppliers and MEMs are contractually bound together throughout their activities. We are concerned that this reality will have undue influence in decisions taken within sub-committees where DNOs are the minority stakeholder. DNOs will consider that there is a very real risk that parties may use the opportunity to pass responsibility to network operators for issues that are not within the network operator's remit to respond to as Cat A or Cat B item (boards and boxes, R&Ls, large fuses, shared fuses, shared neutrals etc.) Network operators know from experience that, for the issues covered under the Guidance for Service Termination Issue Reporting document, MEMs and Suppliers always have common goals and are likely to vote accordingly.<br><br>DNOs believe that REC Code Manager should address the imbalance in voting arrangements within REC MEP, covering this document, at the | |

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| | very least. The Service Termination Issue Reporting Document is a document between MEMs and DNOs - Supplier Parties have no involvement in the document and should not have right of influence over changes to it. This must be addressed before any corrective action is taken to address the incorrect categorisation of the document. | |
| Utilita Energy<br>Energy Supplier | Nothing to add. | Noted. |
| Scottish and Southern Electricity Networks<br>DNO | We have concerns regarding some of the statements in the change report: "MOCOPA voting arrangements were considered during their development, and it was felt that due to the need to achieve a consensus position under MOCOPA, that those voting arrangements could lead to a deadlock situation which would result in changes being frustrated. The MEP Terms of Reference were designed to remove the potential for a blocking minority, so that changes were agreed by a majority of REC Parties." The MOCOPA voting arrangements never lead to deadlock, as far as we are aware. MOCOPA parties were always able to reach consensus as all affected parties had to be in agreement to accept proposed changes. The way it worked under MOCOPA was fit for purpose and the continued improvement to the document over recent years is a testament to the success of the change process under MOCOPA. On occasions there may have been proposals that were put forward for matters outside of DNO scope of work and these could not progress on that basis. The change report also states: "Since we have no evidence to suggest that the current governance arrangements are not working or have failed any particular category of REC Party, we cannot recommend progression of this alternative approach." This issue has not arisen in REC because the opportunity has not been there for other parties to dictate operational policy to the network operators. If the status of the guidance is concluded, as is being proposed by REC Code manager, there is a very real risk that such a scenario will arise. | Please see response above to NGED. |

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| | The change report also states: “The Terms of Reference were designed to support the REC Objectives and required that in making decisions on changes, the Responsible Sub-Committees members would act impartially and independently of the interests of their employer (and of any person or class of persons) when exercising functions assigned to it under the REC.” Suppliers and MEMs are contractually bound together throughout their activities. We are concerned that this reality will have undue influence in decisions taken within sub-committees where DNOs are the minority stakeholder. DNOs will consider that there is a very real risk that parties may use the opportunity to pass responsibility to network operators for issues that are not within the network operator’s remit to respond to as Cat A or Cat B item (Meter boards and Meter boxes, Rising and Lateral Mains cables into high-rise / sprawling multi-occupancy buildings, large cut-out fuses, shared cut-out fuses, shared neutral cables etc.) Network operators know from experience that, for the issues covered under the Guidance for Service Termination Issue Reporting document, MEMs and Suppliers always have common goals and are likely to vote accordingly. We consider it entirely inappropriate that Supplier parties would have any voting rights on service termination matters as they are not involved in the wider process. DNOs believe that REC Code Manager should address the imbalance in voting arrangements within REC MEP, covering this document, at the very least. The Service Termination Issue Reporting Document is a document between MEMs and DNOs - Supplier Parties have no involvement in the document and should not have right of influence over changes to it. This must be addressed before any corrective action is taken to address the incorrect categorisation of the document. | |
| Scottish Power Energy Networks<br><br>DNO | We are of the view that due consideration has not been given to the DNO previous comments in relation to this change proposal.<br>We believe that REC are required to support the best interests of the industry, and as such we believe that aspect such as Asset Condition should only be addressed by parties that are responsible for that area. There is a real risk that the DNO could be heavily penalised if there is a | We considered the alternative approach put forward by the DNOs and for the reasons set out in the Preliminary Change Report we could not support progression of this as the solution.<br><br>Please see response above to NGED. |

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| | vote that is upheld against the DNO position (by parties that have no responsibility)<br><br>The change report states:<br><br>"The Terms of Reference were designed to support the REC Objectives and required that in making decisions on changes, the Responsible Sub-Committees members would act impartially and independently of the interests of their employer (and of any person or class of persons) when exercising functions assigned to it under the REC."<br><br>We are concerned that Suppliers (and MEM working on their behalf) will have undue influence in decisions taken within sub-committees where DNOs are the minority stakeholder. SPEN are of the view that there is a very real risk that parties may use the opportunity to pass responsibility to network operators for issues that are not within the network operator's remit to respond to as Cat A or Cat B item (boards and boxes, R&Ls, large fuses, shared fuses, shared neutrals etc.) Network operators know from experience that, for the issues covered under the Guidance for Service Termination Issue Reporting document, MEMs and Suppliers always have common goals and are likely to vote accordingly. This could have serious operational and financial impact on the DNO.<br>We would also, without questioning intent of parties highlight that Suppliers may not understand the obligations on DNO fully enough to understand the full impacts of introducing changes.<br><br>Our understanding (from the consultation documents is that this is a provisional measure until "*discussions about the longer-term future of the most appropriate home for the document"* are complete. We do not believe that it is appropriate to remove control of this document from the responsible REC party as an interim measure | |

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| | Could a temporary 2-way consensus for DNOs and Mems be enabled until this process is complete. We would request that this is considered as a matter of urgency as we cannot agree to the proposal as written | |
| BUUK<br>IDNO | *No response provided* | |
| Energy Networks Association<br>Networks | We have concerns regarding some of the statements in the change report and set out our responses to these in the text below:<br><br>The change report states:<br><br>"MOCOPA voting arrangements were considered during their development, and it was felt that due to the need to achieve a consensus position under MOCOPA, that those voting arrangements could lead to a deadlock situation which would result in changes being frustrated. The MEP Terms of Reference were designed to remove the potential for a blocking minority, so that changes were agreed by a majority of REC Parties."<br><br>The MOCOPA voting arrangements never lead to deadlock, as far as we are aware. MOCOPA parties were always keen to take the opportunity to discuss proposed changes in detail and were able reach consensus on the best way forward. On occasions there may have been proposals put forward for matters outside of DNO scope of work and these could not progress on that basis. The way change worked under MOCOPA was fit for purpose as it enabled the continual improvement of the guide while enabling the asset owner to ensure defects were being reported to them accurately and efficiently, minimising inconvenience to industry parties and customers. The success of the document, in achieving a very significant reduction in the number of incorrect reports to the DNO, over the last 10 years, is a testament to the effectiveness of the change process under MOCOPA. | Please see response above to NGED . |

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| | The change report also states:<br><br>"Since we have no evidence to suggest that the current governance arrangements are not working or have failed any particular category of REC Party, we cannot recommend progression of this alternative approach."<br><br>This issue has not arisen in REC because the opportunity has not been there for other parties to dictate operational policy to the network operators. If the status of the guidance is concluded, as is being proposed by REC Code manager, there is a very real risk that such a scenario will arise.<br><br>The change report also states:<br><br>"The Terms of Reference were designed to support the REC Objectives and required that in making decisions on changes, the Responsible Sub-Committees members would act impartially and independently of the interests of their employer (and of any person or class of persons) when exercising functions assigned to it under the REC."<br><br>Suppliers and MEMs are contractually bound together throughout their activities. We are concerned that this reality will have undue influence on decisions taken within sub-committees where DNOs are the minority stakeholder. DNOs consider that there is a very real risk that parties may use the opportunity to pass responsibility to network operators for issues that are not within the network operator's remit to respond to as a Category A or Category B item (boards and boxes, Rising & Lateral Mains, large fuses, shared fuses, shared neutrals etc.) Network operators know from experience that, for the issues covered under the Guidance for Service Termination Issue Reporting document, MEMs and Suppliers always have common goals and are likely to vote accordingly. | |

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| | DNOs believe that REC Code Manager should address the imbalance in voting arrangements within REC MEP, covering this document, at the very least. The Service Termination Issue Reporting Document is a document covering reporting processes between MEMs and DNOs - Supplier Parties have no involvement in the document and should not have right of influence over changes to it. This must be addressed before any corrective action is taken to address the incorrect categorisation of the document. | |
| Northern Powergrid<br><br>DNO | We believe that the alternative proposal by the DNOs to make this document an exception within the REC change control process has not been given sufficient consideration. The DNOs clearly have legitimate concerns about the potential for other parties to dictate their asset management policy through the proposed process and the potentially adverse impact on the DNOs' respective funding positions.<br><br>To use the statement in the consultation of "*Since we have no evidence to suggest that the current governance arrangements are not working or have failed any particular category of REC Party, we cannot recommend progression of this alternative approach"* as the basis for the Code Manager's decision not to progress the alternative approach proposed by the DNOs, is disappointing because (a) it does not recognise the potential for the DNOs to be out voted in respect of their own asset management policies in the future; and (b) the guide has only been under the jurisdiction of the REC since September 2021 such that there has not been sufficient volume of change proposals to justify that approach.<br><br>We would, therefore, urge the Code Manager to reconsider the DNOs' alternative proposal or sanction a fundamental review of the issue to address the DNOs' legitimate concerns. | We reviewed the alternative solution put forward and tracked the governance of these arrangements back to DUCSA and the transition to MOCOPA, and then to the designation in the REC. We have looked at the DCP044 Change Reports to see what the DNOs were trying to achieve and how Suppliers and MEMs were impacted. We reviewed the Authority decisions on DCP044 and finally we looked at the introduction of the new governance arrangements under the REC. The proposed Terms of Reference for the REC looked specifically at the voting and who should be included and considered as well as whether the MOCOPA voting should be replicated under the REC in the MEP Terms of Reference, and we have set out our rationale for not creating vetoes or arrangements that can impede changes.<br><br>Our decision was based on not allowing any class of Party to be subject to a veto by a single class, and that with the requirement of Committee members to act as industry experts rather than party representatives, then the members are able to make decisions |

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| | | free of any other constraints than their expertise.<br><br>We disagree that there is insufficient experience in the operation of the Change Process to draw the conclusions we have, The REC change Management process has been operating for more than 2 years, only 2 Change Proposals have needed to be appealed - one by the Code Manager, which was upheld and one by a REC Party which was rejected.<br><br>We believe that we have appropriately considered the impact, not just on DNOs in this change, but of MEM and Suppliers too, and we feel we have reached the correct conclusion that enable change to be progressed efficiently.<br><br>Any Party has the right of Appeal, including DNOs, MEMs and the Code Manager, should the voting outcome go against the Code Manager's recommendation. |