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<b>Paper Reference:</b>	<b>SECCB_32_2407_01</b>
<b>Action:</b>	<b>For Decision</b>

## MP071 Change Board vote

### 1. Purpose

[MP071 'Second-Comer Charging'](#) has undergone Modification Report Consultation and is now being presented to the Change Board for vote. The Change Board are invited to determine whether MP071 should be approved or rejected under Self-Governance.

This paper provides a high-level summary of the key points. Full details can be found in the Modification Report in Appendix A and the responses received to the Modification Report Consultation in Appendix B.

### 2. Summary of the proposal

#### What is the issue?

Due to the nature of providing a Low-Volume (LV) Gateway Connection or a High-Volume (HV) Gateway Connection there are no common costs and thus no scope for cost sharing. Therefore, the current onboarding process for a DCC User has inefficient and unnecessary complexity associated with a check related to shared costs for either a LV Gateway Connection or a HV Gateway Connection.

#### What is the Proposed Solution?

After consideration of industry comments and discussions with the DCC, the Proposer believes that the most effective solution is to remove the specific requirements in SEC Section K which relate to assessing the second-comer charges for HV and LV Gateway Connections.

The outcome of this modification will be an accurate reflection of the 'Second-Comer' charging system.

### 3. Modification Report Consultation responses

Three responses were received in the Modification Report Consultation, and the full responses can be found in Appendix B.

Two respondents (both Large Suppliers) believed that MP071 should be approved; however each respondent had a different view on which particular SEC Objectives are better facilitated. The first respondent felt that SEC Objective (g) is better facilitated as it aligns the content of the SEC with the

actual operation of the DCC. In terms of SEC Objective (a), they felt that the modification has a neutral effect.

The second Large Supplier felt that Objective (a) would be better facilitated, as there would be an improvement to the efficiency with which a Gateway is provided, resulting in a better operation of Smart Metering Systems. They also agreed that Objective (g) would be better facilitated as they would expect SEC Section K to be more efficiently discharged.

The DCC also commented. They stated that the legal text is a pragmatic solution which provides the best outcomes for the industry. They feel that the proposed solution is an economic, efficient and represents a simplification of the User onboarding process which will provide benefits for all Users and User types, most especially Small Suppliers, independent Distribution Network Operators and independent Gas Transporters.

One further comment was received outside of the consultation, regarding potential further amendments to SEC Section H. Following an investigation and discussion we believe that no further amendments to the legal text are needed.

## 4. Next steps

### Determination approach

The Panel has determined that MP071 is a Self-Governance Modification. The Change Board's vote will therefore form a decision on the modification.

This decision will be subject to a 10 Working Day objection period where Parties can refer the decision to the Panel. If no objection is received, the Change Board's decision will be final.

### Implementation approach

The Panel has agreed the following implementation approach of:

- 7 November 2019 (November 2019 SEC Release) if a decision to approve is received by 24 October 2019.

## 5. Recommendations

The Change Board are requested to:

- **AGREE** that MP071 should proceed to vote;
- **DETERMINE** whether MP071 should be **APPROVED** or **REJECTED** under Self-Governance; and
- **PROVIDE** rationale for this decision against the General SEC Objectives.

**Bradley Baker**

**SECAS Team**

**17 July 2019**

## Attachments

- **Appendix A:** MP071 Modification Report
  - **Annex A:** MP071 legal text
- **Appendix B:** MP071 Modification Report Consultation responses