

Meeting Session	DCUSA Panel (Open Session)
Paper Reference	Panel_2019_0619_03 DCMDG Headline Report 18
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 18

1. Synopsis

- 1.1 This report sets out the headlines from the 18th DCMDG held on 6th June via teleconference. The full minutes and associated papers of the meeting are available on the DCUSA website.

2. Attendance

- 2.1 This meeting was chaired by Angelo Fitzhenry and Technical Secretariat Support was provided by Hollie Nicholls.
- 2.2 A total of 24 industry participants dialled into the meeting.

3. Ofgem Update

BSUoS Task Force: The Ofgem representative highlighted that the BSUoS report was published on 31 May 2019 and Ofgem would appreciate any input. A question was asked whether Ofgem were planning to conduct any work regarding the shape of BSUoS and whether there is any consideration in any alternative allocation arrangements. It was highlighted that there are concerns around forward-looking arrangements and whether there are going to be any industry initiatives to reduce it.

Targeted Charging Review (TCR): An open letter has been published on the timescales for the TCR which has indicated that an additional option to align timescales with the Access and Forward-Looking Charging Significant Code Review (SCR) could be introduced. The option has been introduced to the TCR decision making process and would align the implementation to 2023.

Derogations: The Ofgem representative explained that Ofgem were seeking further information from the DNOs regarding the errors that had been picked up in the 2021/22 charges before making a

decision on the derogation requests. It was also noted that the all-the-way tariffs are not likely to be changed but there may be an impact on the LDNO tariffs.

Change Proposal Updates: DCP 314 'Appropriate treatment of Bad Debt following appointment of Supplier of Last Resort'. The Ofgem representative noted that some issues had been raised with the legal text for this Change Proposal and Ofgem is considering an appropriate response.

Access and Forward-Looking Charging SCR: The Ofgem representative highlighted that currently the main focus of work is publishing their working paper by the end of July 2019. The aim is for a Working Paper to be submitted to the Challenge Group on 24 July 2019 to obtain their input before publication to the wider industry. The purpose of the paper is ensuring that Ofgem are being as transparent and engaging with industry as possible as to where their emergent thinking is in this complex area. However, the working paper will not define a final set of options and will not include any decisions. The working paper will be focussing on the access options and potential access arrangements and initial thinking of cost models and charging design. The following paper being published in December 2019 will look at the connection charging boundary and will focus on small users. The working papers will provide an indication as to how Ofgem will request feedback, however it will not be in the consultation style with specific questions.

4. DCP 268

The Chair confirmed that the DCUSA Secretariat has been in conversation with CEPA/TNEI and explained the need for the new modelling work to be conducted before the implementation of this Change Proposal. A formal request for the work to be completed will be submitted to CEPA/TNEI no later than early week commencing 10 June 2019. Following receipt of the formal request, CEPA/TNEI timescales will allow 20 working days for the request to be completed. The Chair also confirmed that it is likely that a request for information will be sent to all DNOs for CEPA/TNEI to complete the work.

5. Actions

5.1 The DCUSA Panel is invited to:

- **NOTE** the contents of this paper.

Angelo Fitzhenry
DCUSA Service Manager