

DCP 251 and DCP 252 Working Group Minutes

Meeting Name	DCP 251 and DCP 252 Working Group
Meeting Number	13
Date	25 October 2016
Time	14:00
Venue	Teleconference

Attendee	Company
John Lawton [JL] (Chair)	ElectraLink
Anika Brandt [AB]	SSE
Franck Latremoliere [FL]	Reckon
Keith Burwell [KB]	Ofgem
Mike Harding [MH]	Brookfield Utilities
Pat Wormald [PW]	Northern Powergrid
Dan Fittock [DF] (Secretariat)	ElectraLink
Apologies	Company
Dave Wornell	Western Power Distribution
Chris Allanson	Northern Powergrid

1 ADMINISTRATION

- 1.1 It was confirmed that attendees had read the “Competition Law Dos and Don’ts” and all attendees agreed to be bound by the Competition Law for the duration of the meeting.
- 1.2 The Working Group reviewed the minutes of the previous meeting . It was identified that a further action was taken at the meeting but omitted from the minutes. The action was on the Chair to review the definition of Associated Distribution System contained in the Balancing & Settlement code and how this related to the definition of Qualified Network Operator.
- 1.3 Please refer to Appendix A for an update on all of the actions.

2 REVIEW OF DCP 251 & 252 WORKING GROUP 09 MINUTES

- 2.1 A member of the Working Group stated a concern with the minutes of DCP 251 & 252 Working Group 09 following the amendments made at the previous Working Group. The member did not believe that discounted LDNO Tariffs for IDNOs are based on the total avoided costs to the DNO, rather these were based on the cost of the services themselves, and this was not reflected accurately in the revised minutes.
- 2.2 Another member countered this stating that the chosen wording falls in line with an Ofgem issued document, however it was not possible to locate the document for the purposes of these discussions.
- 2.3 The Working Group agreed that this issue should be parked until the Ofgem document could be located to continue the discussions. MH agreed to take an action to locate the Ofgem documentation in question.

ACTION: 13/01 - MH

3 REVIEW OF 'QUALIFYING NETWORK OPERATOR' DEFINITION

- 3.1 The Working Group reviewed the definition of Qualifying Network Operator following a number of emails exchanged between Working Group members.
- 3.2 The Working Group reviewed a revised definition of Qualifying Network Operator and one associated with Qualifying Network Operator Tariffs (QNO Tariffs). The Working Group had previously decided that 'Qualifying Network Operator' should be used as this would fit in with the existing legal drafting of Schedule 16 more easily, however upon discussion the Working Group agreed to use the QNO Tariff approach. It was also felt that a definition for Qualifying Network Operator would still be required as this would describe Parties who are entitled to the Qualifying Network Operator Tariffs.
- 3.3 It was agreed that references to the use of system services should be removed as the Qualifying Network Operator may contract with a third party for the provision of those services. After discussion, a reference to Data Services was retained and limited to Distribution Businesses providing such a service in order to facilitate competition in supply.
- 3.4 The newly drafted definition for QNO Tariff can be found in Attachment 1.
- 3.5 The Working Group also considered a requirement for the introduction of a definition for Private Network Operator as this term has been used extensively during the discussions of this Working Group. It was noted that the term Private Network Operator had been used in the first consultation document to describe an unlicensed distribution system. On this basis the Working Group agreed that a new definition would not be required and instead of using the term Private Network Operator in future, the term unlicensed distribution system or unlicensed distributor should be used instead as this provides greater clarity.
- 3.6 MH agreed to take an action to review the legal text because of using the new term of QNO Tariff and consider a new definition for Qualifying Network Operator ahead of the next Working Group.

ACTION: 13/02 - MH

4 REVIEW OF DRAFT CONSULTATION DOCUMENT

- 4.1 The Working Group reviewed the draft consultation document and made a number of amendments. The main amendments made were:
 - Replacement of the term 'Private Network Operator' or 'PNO' with 'unlicensed distributor';
 - Replacement of term 'IDNO Tariffs' with 'LDNO Tariffs';
 - Amendment of the defined term 'Qualifying Network Operator' with 'Qualifying Network Operator Tariffs'; and
 - Amendments to the comparison of services between unlicensed distributors and DNOs.
- 4.2 There were also a number of smaller amendments made throughout the document that can be found in Attachment 2.

- 4.3 The Working Group also considered whether the section on the Working Group's view of whether '*undue discrimination*' is taking place should be removed or not on the basis that the Working Group cannot currently come to a unanimous decision on whether '*undue discrimination*' is taking place under current arrangements. The Chair to an action to produce a strawman paragraph for consideration at the next meeting.

ACTION: 13/03 - CHAIR

5 REVIEW OF ISSUES LOG

- 5.1 The Working Group deferred the Issues Log until the next meeting.
- 5.2 The Issues Log has been included as Attachment 3.

6 NEXT STEPS

- 6.1 The Working Group agreed to the following next steps:
- ElectraLink to update the draft consultation document to reflect the discussions of the Working Group and issue this to the Working Group for comment on 4 November 2016.
 - The Working Group to reconvene on 15 November 2016 to review the draft consultation document before issuing it to industry.

7 ANY OTHER BUSINESS

- 7.1 There was no AOB and the Chair closed the meeting.

8 NEXT MEETING

- 8.1 The next DCP 251 & 252 Working Group will be held on 15 November 2016 via Webinar.

9 ATTACHMENTS

- [Attachment 1 – New Qualifying Network Operator Tariffs Definition](#)
- [Attachment 2 – Red-Lined Changes to the Draft Consultation Document](#)
- [Attachment 3 – Issues Log](#)

APPENDIX A: SUMMARY OF ACTIONS

NEW AND OPEN ACTIONS

Action Ref.	Action	Owner	Update
10/03	Determine if undue discrimination is taking place so that this view can be captured in the consultation document.	All	Ongoing
13/01	To locate the Ofgem documentation that reflects the chosen wording 'Total avoided costs to the DNO' used in Working Group 09 meeting minutes.	MH	
13/02	To draft a new definition for Qualifying Network Operator ahead of the next Working Group.	MH	
13/03	To develop a strawman paragraph on the outcome of the discussions on undue discrimination	Chair	

CLOSED ACTIONS AT THE MEETING

Action Ref.	Action	Owner	Update
11/02	To review Working Group 08 Minutes, clause 2.9 and Working Group 09 Minutes, clause 2.2, decide whether the assumptions made by the Working Group are true and whether the minutes accurately recorded the discussions.	All	Complete – Working Group 08 Minutes agreed correct and Working Group 09 Minutes updated to reflect Working Group comments.
11/03	To submit views in writing on whether ' <i>undue discrimination</i> ' is taking place so that this can then be reviewed at the next Working Group meeting.	All	Complete – Discussed at Working Group 12.
12/01	To review whether Private Network Operator had been used in the legal text or previous consultation so that the Working Group could decide at a later date if a definition was required.	ElectraLink	Completed post-meeting. The term 'Private Network Operator' is not included in the Change Proposal legal text and was used once in the first consultation as an example of an unlicensed distribution system.
12/04	To review the definition of Associated Distribution Systems and determine whether it could be used in the definition of Qualifying Network Operator	Electralink (Chair)	Completed
13/01	To include the refined Qualified Network Operator definition in the consultation document.	ElectraLink	Completed post-meeting.