

DCP 251 and DCP 252 Working Group Minutes

Meeting Name	DCP 251 and DCP 252 Working Group
Meeting Number	08
Date	15 July 2016
Time	10:30
Venue	ElectraLink's Offices, Grafton House, 2-3 Golden Square, London W1F 9HR

Attendee	Company
John Lawton [JL] (Chair)	ElectraLink
Anika Brandt [AB]	SSE
Chris Allanson [CA]	Northern Powergrid
Chris Barker [CB] (teleconference)	ENWL
Chris Ong [CO]	UK Power Networks
Franck Latremoliere [FL] (teleconference)	Reckon
Keith Burwell [KB]	Ofgem
Mike Harding [MH] (teleconference)	Brookfield Utilities
Dan Fittock [DF] (Secretariat)	ElectraLink

Apologies	Company
Dave Wornell	Western Power Distribution
Lynda Carroll	Ofgem
Mo Sukumaran	SSE
Pat Wormald	Northern Powergrid
Tom Chevalier	Power Data Associates

1 ADMINISTRATION

- 1.1 The "Competition Law Dos and Don'ts" were reviewed and all Working Group members agreed to be bound by the Competition Law for the duration of the meeting. It was agreed the discussion regarding specific Distributor prices and tariffs could not be discussed.
- 1.2 The Working Group agreed the minutes of the previous meeting, held on 7 June 2016, as an accurate record.
- 1.3 Please refer to Appendix A for an update on all of the actions.
- 1.4 Independent Chair

Following the Ofgem final proposals associated with Code governance (Phase 3), there is now a requirement for Working Groups to have an independent Chair undertaken by the code administrator. As a result of this independent Working Group chairs have been introduced to new and existing Working Groups by the code administrator having agreed such a service with the DCUSA Panel. John Lawton was allocated to this Working Group in his capacity as an independent contractor to ElectraLink after leaving employment with Electricity North West Limited. The new Chair thanked the previous Chair of the working group for his efforts to date.

2 BUBBLE DIAGRAM

- 2.1 In accordance with Action 07/05, CA drafted a bubble diagram to clarify the contractual relationships between licenced and unlicensed network operators for consideration by the members. The Working Group reviewed the bubble diagram and suggested a number of proposed amendments, which have been provided as Attachment 1.
- 2.2 It was agreed for the bubble diagram to be used within the second DCP 251 and DCP 252 consultation document although further work was required to ensure all scenarios were identified. CA believed there was four. CA to an action to confirm what those scenarios were.

ACTION: 01/08 – CA

- 2.3 The Working Group discussed the scenario identified in the bubble diagram between Independent Distribution Network Operators (IDNO's) and those of Private Network Operators (PNO's), including:
- The difference in competitive metering such as IDNO's utilising end user metering and PNO's do not;
 - The differences in the role of boundary metering between the two;
 - How to attribute DUoS¹ charges;
 - The diagram was updated to reflect that the definition of '*Portfolio data*' meaning a mixture of NHH and HH data, including billing data (Attachment 1);
 - What the Distribution Network Operator (DNO) can 'see' in terms of metering setup.
- 2.4 The group agreed that due to the similarities in set up PNOs may qualify for use of the discounted tariffs currently used by IDNOs although the qualifying criteria had still to be determined and consideration of other scenarios still to be reviewed.
- 2.5 DUoS Charging Arrangements
- The methodologies of DUoS charging were also discussed by the Working Group as this was highlighted as one of the main differences between PNOs and IDNOs. The group discussed how DUoS could be charged under the PNO structure and to which Parties – PNOs, Suppliers or Customers.
- 2.6 Following these discussions, the Group discussed one option which was through a split DUoS charging methodology:
- The PNO can deduct the energy used by their end user customers from the total consumption value from the boundary meter (the point at which the Distribution Network Operator's (DNO) network connects to the IDNO network) (Difference metering);
 - The discounted DUoS tariff is then applied to the end user customer consumption; and
 - The remaining consumption is billed at full DUoS charges.
- 2.7 The Working Group agreed that this approach would have impacts on Suppliers and PNOs which were not present, or members of the Working Group. It was noted by a Working Group member that DCP 263 – '*NTC DEH Gap*' utilised a large distribution group for its consultation

¹ DUoS - Distribution Use of System

including a large number of potential PNO's. ElectraLink agreed to take an action as to whether it was considered appropriate to use this same distribution list for DCP's 251 & 252.

ACTION: 02/08 - ELECTRALINK

- 2.8 The Chair queried with the Working Group as to the nature of the term '*undue discrimination*' as used in the Change Proposal form.

2.9 Definition of '*undue discrimination*'

The Chair noted that it is natural for there to be discrimination between participants based on their roles within the industry and questioned the Group as to whether there has been any economic or financial analysis into whether this discrimination is '*undue*' as part of the earlier work undertaken by this Working Group.

- 2.10 The Working Group confirmed that the nature of the change originates from the fact that DNOs provide additional services, such as MPAN creation and the Meter Point Administration Process (MPAS), as per their License Conditions at no extra cost to the customer. Also IDNOs pick up Licence and code costs whereas PNOs do not. However, no financial or economic analysis as to the additional costs of this has been done. The Chair noted that this change has the potential to tip the scales in favour of PNO's and that without a review into the costs of these additional services against the discounted tariffs it is difficult to justify a decision to support or reject the change proposal.
- 2.11 MH agreed to produce a strawman and all attendees agreed to review and to ascertain what they believe '*undue discrimination*' in this instance.

ACTION: 03/08 – MH AND ALL

3 ISSUES LOG

- 3.1 The Working Group reviewed the Issues Log, which had been developed in accordance with Action 07/01.
- 3.2 Several updates were provided including a new issue - to capture relevant different network scenarios.
- 3.3 The updated Issues Log has been provided as Attachment 2.

4 CONSIDERATION OF SECOND CONSULTATION

- 4.1 The Working Group considered the required content for the second DCP 251 and DCP 252 consultation, agreeing that this will be considered following the Group's review of the term '*undue discrimination*'.

5 WORK PLAN

- 5.1 The Working Group reviewed the Work Plan for DCP 251 and DCP 252 and proposed a number of amendments based upon the actions taken within the meeting. The updated Work Plan can be found within Attachment 3.

6 NEXT STEPS

- 6.1 The Working Group agreed to a teleconference on 02 August 2016 to discuss their views on the meaning of '*undue discrimination*'.
- 6.2 Following this review, the Working Group will reconvene during the second or third week of August to finalise the second consultation document if this is required. Please see the Attachment 3 for the updated Work Plan.

7 ANY OTHER BUSINESS

7.1 DCMF Methodology Issues Group (MIG) Issue 89 - Building Network Operator (BNO) Networks

The Working Group agreed with the proposer that MIG Issue 89 should not be part of this Working Group's discussions as DCP's 251 & 252 are concerning tariffs rather than payments. The proposer confirmed that this change should not impact tariffs and that any discount should be determined by a set of criteria in order to qualify for a 'discount' (although 'discount' was not believed to be the correct term). CO confirmed that the MIG considered sensible for the issue to come to this Working Group to decide whether it fits into its scope. The Working Group agreed with the proposer to send this issue back to the DCMF MIG. This is due to there being wider issues around the relationships of BNO and PNOs with DNOs which would be more appropriate to be discussed in a forum with a wider scope than DCP 251/252.

7.2 ElectraLink agreed to take an action to refer this issue back to the DCMF MIG along with the proposer's and Working Group's comments.

ACTION: 04/08 - ELECTRALINK

7.3 There were no further items of business and the Chair closed the meeting.

8 NEXT MEETING

8.1 The next meeting is scheduled for Tuesday, 02 August 2016, at 10.00 via teleconference and will consider the meaning and impacts of the term '*undue discrimination*'.

9 ATTACHMENTS

- Attachment 1 - DCP251_08_02 - Bubble diagram
- Attachment 2 - DCP251_08_03 - Issues Log
- Attachment 3 - DCP251_08_05 - DCP 251 & DCP 252 Work Plan

APPENDIX A: SUMMARY OF ACTIONS

NEW AND OPEN ACTIONS

Action Ref.	Action	Owner	Update
05/05	Draft further text on emergency call handling to capture that where a DNOs MPAN is supplied then a single emergency number will display at the end of the bill.	Mike Harding	In progress – awaiting confirmation of completion
01/08	To identify the number and type of scenarios not identified on the bubble diagram	Chris Allanson	
02/08	To consider whether the use of the DCP 263 distribution list is appropriate for this change.	ElectraLink	
03/08	To consider and feedback relevant organisational views of what 'undue discrimination' means.	Mike Harding (Initial draft) All	
04/08	Refer DCMF MIG Issue 89 - Building Network Operator (BNO) Networks back to the DCMF MIG with proposer and Working Group comments.	ElectraLink	

CLOSED ACTIONS AT THE MEETING

Action Ref.	Action	Owner	Update
07/01	To develop the Issues Log	Lauren Nicholls	Complete: The Issues Log has been provided as Attachment 2
07/02	To update the intent in the DCP 251 CP form to remove the reference to the 50% discount	Lauren Nicholls	Complete: The CP Form has been provided as Attachment 4
07/03	To flag that DCP 251 and DCP 252 may have impacts on the BSC and MRA	Lauren Nicholls	Complete: The cross code tracker has been updated to flag that DCP 251 and DCP 252 may have impacts on the BSC and MRA
07/04	Clarify if DCUSA Charging Methodology Change Proposals need to better facilitate the DCUSA general objectives	Lauren Nicholls	Complete: DCUSA Change Methodology CPs do not need to better facilitate the DCUSA general objectives.
07/05	To draw a bubble diagram to clarify the contractual relationships between licenced and unlicensed network operators	Chris Allanson	Complete: Agenda Item