

# DCP 251 and DCP 252 Working Group Minutes

<b>Meeting Name</b>	DCP 251 and DCP 252 Working Group
<b>Meeting Number</b>	11
<b>Date</b>	5 September 2016
<b>Time</b>	14:00
<b>Venue</b>	Teleconference

<b>Attendee</b>	<b>Company</b>
John Lawton [JL] (Chair)	ElectraLink
Anika Brandt [AB]	SSE
Chris Allanson [CA]	Northern Powergrid
Chris Barker [CB]	Electricity North West
Chris Ong [CO]	UK Power Networks
Dave Wornell [DW]	Wesetern Power Distribution
Franck Latremoliere [FL]	Reckon
Keith Burwell [KB]	Ofgem
Mike Harding [MH]	Brookfield Utilities
Pat Wormald [PW]	Northern Powergrid
Dan Fittock [DF] (Secretariat)	ElectraLink

## 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 agreed the minutes of the previous meeting as an accurate record.
- 1.3 Please refer to Appendix A for an update on all of the actions.

## 2 WEBSITE ACCESS ISSUES

- 2.1 The Chair informed the Working Group that a Working Group Member had been in contact to inform the Secretariat that the website had not been updated correctly and that there were discrepancies between what was viewable from the public pages when compared to the private pages associated with the Working Group’s documentation.
- 2.2 ElectraLink took an action to investigate these issues and take action to resolve the issues as and when necessary.

**ACTION: 11/01 - ELECTRALINK**

## 3 REVIEW OF UPDATED PNO STRUCTURE TEMPLATES

- 3.1 CA provided the Working Group with updated versions of the PNO Structure Templates and the Working Group members made a number of amendments which have been included under Attachment 1.
- 3.2 A number of topics were discussed as part of the updates to the PNO Structure Templates, the key points being:

End-user Customer metering assets 'consciously' developed to aid competition in supply

- 3.3 Discussions between Working Group members were held as to whether it was relevant that assets were 'consciously' developed to aid competition in supply on IDNO networks as this was detailed on the PNO Structure Templates. One member believed that this was relevant whereas another member was of the opinion that it was not required on the template document.
- 3.4 It was stated by a Working Group member that IDNO's made a conscious decision to become Licensed Parties, but this was not specifically done to aid competition in supply; rather end-user customer metering and competition in supply is a consequence of being a Licensee and thus the inclusion of the word 'consciously' in the PNO Structure Templates is not strictly accurate.
- 3.5 The Working Group agreed that the word 'consciously' should not be used on the template documents.

Difference Metering

- 3.6 It was noted by a Working Group member that the role of Data Collector had not been included on the template diagram when Difference Metering had been included, and as the Data Collector has a role in Difference Metering arrangements this role should be included.
- 3.7 As the diagrams already included a great deal of information it was agreed that this would be included in the 'Summary of features and services provided' section of the form under the 'Supplier' header.

The Working Group agreed to add Difference Metering to the Issues Log and consider whether it should be considered within the scope of the Working Group.

Unmetered Supply

- 3.8 The issue of Unmetered Supplies (UMS) was identified during discussions as some of the PNO Structure Templates included arrangements where a UMS could be present, but this was not included within the supporting documentation on the templates.
- 3.9 Some Working Group members did not believe that UMS fell within the remit of the Working Group however it was noted that, like Difference Metering, UMS should be considered when reviewing the various network set-ups as part of the analysis around '*undue discrimination*'.
- 3.10 The Working Group agreed to add UMS to the Issues Log and consider whether it should be considered within the scope of the Working Group.

Building Network Operator arrangements

- 3.11 The Working Group has been operating under the assumption that Building Network Operator (BNO) network setups follow legacy arrangements, e.g. they follow the same setups as detailed in the PNO Structure Templates. A Working Group member, however, believed that there are some BNO's that could operate in a manner in which there is no boundary meter and the BNO provides end-user metering assets which are subsequently used for DUoS billing purposes.

Members of the Working Group were not aware of this type of network setup and discussed the possibilities of these arrangements being captured in a consultation question. It was agreed that the question of whether a template should be produced for 'non legacy arrangements' associated with BNO sites should be added to the Issues Log.

## **4 DISCUSSION OF WHETHER THERE IS UNDUE DISCRIMINATION**

- 4.1 Following on from the action from the previous meeting the Working Group discussed the nature of '*undue discrimination*' and whether there is '*undue discrimination*' against PNO's where they are currently not entitled to use the IDNO DUoS tariffs.

- 4.2 Previous Working Groups had discussed the nature of the IDNO DUoS tariffs and have been working under the assumption that these tariff discounts are based on the cost savings to the Distribution Network Operator's (DNO) savings e.g. where IDNO's offer their own MPAS services.
- 4.3 A Working Group member did not agree with this assumption and postulated that although there are differences between PNO and IDNO provided services, the PNO's are still offering services and thus should be eligible to use the IDNO DUoS tariffs. It was argued that the services offered by IDNO's are bundled where the PNO provided services are not and that this is a fundamental difference between the two types of network, however it was countered that PNO's offer both bundled (e.g. including end-user meters and facilitating competition in supply) and unbundled (e.g. not including end-user meters and not facilitating competition in supply) MPAS services based on individual network characteristics.
- 4.4 In addition, a Working Group member did not believe that two paragraphs from previous Working Group minutes were correct and requested the Working Group review these:

- **DCP 251 and DCP 252 Working Group 08 Minutes:**

- “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.”

- **DCP 251 and DCP 252 Working Group 09 Minutes:**

- “2.2 The key Distribution Licence condition being SLC19.2:

- Without prejudice to paragraph 19.1, and subject to standard condition 14 (Charges for Use of System and connection), the licensee must not make charges for providing Use of System to any person or class or classes of persons which differ from the charges for such provision to any other person or any other class or classes of persons, except insofar as such differences reasonably reflect differences in the costs associated with such provision”.

- It was also confirmed that the IDNO tariffs are based upon the cost savings to the DNO calculated from IDNO provided services.”

- 4.5 The Working Group agreed to take an action for all members to review these clauses and decide whether the assumptions made by the Working Group are true and whether the minutes accurately recorded the discussions.

**ACTION: 11/02 - ALL**

- 4.6 The Working Group was unable to formulate a unanimous view on whether '*undue discrimination*' is taking place against PNO's regarding their inability to use the IDNO DUoS tariffs. On this basis all Working Group members agreed to submit their views in writing on whether '*undue discrimination*' is taking place so that this can then be reviewed at the next Working Group meeting and form part of the next consultation where parties will be asked to consider this further.

**ACTION: 11/03 - ALL**

## **5 REVIEW OF ISSUES LOG**

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- 5.1 The Working Group agreed to add the following entries to the Issues Log:
- Should UMS be considered by the Working Group?
  - Should the Difference Metering scenario be out of the Working Group's scope?
  - Should a template be produced for non-legacy arrangements associated with BNO sites?
- 5.2 The Issues Log has been included as Attachment 2.

## **6 NEXT STEPS**

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- 6.1 The Working Group agreed to the following next steps:
- Working Group members to submit their views in writing on whether '*undue discrimination*' is taking place against PNOs in relation to their inability to use the IDNO DUoS tariffs; and
  - To convene the next Working Group in mid-September to review the member's responses and complete the draft consultation document and finalise the PNO Structure Templates.

## **7 ANY OTHER BUSINESS**

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- 7.1 It was requested that Ofgem publicise the issuing of the DCP 251 & 252 second consultation when it is published to encourage non DCUSA PNOs to respond. KB confirmed that this would require a request to Ofgem prior to the consultation being issued.

## **8 NEXT MEETING**

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- 8.1 Working Group members will be contacted after the meeting to schedule the next Working Group meeting.

## **9 ATTACHMENTS**

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- Attachment 1 – PNO Structure Templates
- Attachment 2 – Issues Log
- Attachment 3 - DCP 251 and DCP 252 WG 08 Minutes v0 1
- Attachment 4 - DCP 251 and DCP 252 WG 09 Minutes v0 1

**APPENDIX A: SUMMARY OF ACTIONS**

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**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
11/01	To investigate website issues and take action to resolve the issues as and when necessary.	ElectraLink	Completed post meeting.
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	
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	

**CLOSED ACTIONS AT THE MEETING**

Action Ref.	Action	Owner	Update
09/01	To compile the templates for highlighting differences between PNO's and IDNO's, their provided services and contractual arrangements for the next Working Group.	Chris Allanson & Patricia Wormald	Closed
10/01	<p>Update the bubble diagrams as follows:</p> <ul style="list-style-type: none"> <li>include two scenarios for PNOs, namely one where the PNO choses to charge DUoS and one where it chooses not to.</li> <li>"PNO MPAN" should say "PNO Boundary MPAN"</li> <li>"INDO" should be "IDNO" on slide 2</li> </ul> <p>Also, the bubble diagrams and information in template 1a should be combined into a signal spreadsheet for ease of use.</p>	Chris Allanson	Completed
10/02	Update the 1st slide of the bubble diagram to be clear that for PNO networks the DNO is provider of the MPANs, whilst for the IDNO networks the MPAN is provided by the IDNO.	Chris Allanson	Completed
10/04	Capture within the diagrams that if the DNO is charging a boundary tariff to a PNO, then the capacity charges are a diversified tariff. If you are charging end customers on the PNO then it is not a diversified tariff in terms of Maximum Demand. The IDNO portfolio tariffs are based on the demand of each customer, and thus, are not diversified.	Chris Allanson	Completed