



Minutes

Meeting Name	DCMF MIG 038		
Meeting Date	8 May 2014	Meeting Time	10:00
Venue	Energy Networks Association, 52 Horseferry Road, 6 th Floor Dean Bradley House, London SW1P 2AF		

Attendee

Chris Ong [CO] (Chair)
 Andy Pace [AP]
 Bernard Kellas [BK]
 Chris Goodwin [CG]
 Dan Hickman [DH]
 Dave Wornell [DW]
 Franck Latremoliere [FL]
 Frank Gordon [FG]
 Julia Haughey [JH]
 Karl Maryon [KM]
 Keith Burwell [KB] (Teleconference) (part meeting)
 Mike Harding [MH]
 Mo Sukumaran [MS]
 Pat Wormald [PW]
 Wendy Mantle [WM]
 Michael Walls [MW] (Secretariat)

Company

UK Power Networks
 ENWL
 SSE Energy
 ESP Electricity
 Npower
 Western Power Distribution
 Reckon LLP
 Renewable Energy Association
 EDF Energy
 Haven Power
 Ofgem
 Brookfield Utilities
 SSE Distribution
 Northern Powergrid
 Scottish Power Distribution
 ElectraLink

1. ADMINISTRATION

- 1.1 CO welcomed everyone to the DCMF MIG meeting.
- 1.2 There were apologies received from Robin Hodgkins (M&CM), Rob Garner (ENWL), George Moran (British Gas), Iain Morgan (Ofgem), Bob Weaver (REA) and Simon Yeo (WPD).
- 1.3 The minutes of the previous meeting were agreed without amendment. The group then went through the actions, and all new and updated actions are detailed in Appendix A.

2. MIG ISSUES AND STANDING UPDATES

- 2.1 CO noted that this meeting will focus on IDNO issues, and provide updates on the EDCM issues that were discussed at the last meeting. The MIG log will be updated to include the new issue raised by FL.
- 2.2 It was noted that there were no other new issues raised, and invited anyone that had an issue to do so during AOB.
- 2.3 CO then discussed the issue which was raised last month regarding the rate of return, and questioned whether a DCP was needed for April 2015 and if so, it will need to be actioned quickly.
- 2.4 KB agreed to discuss this issue and provide the group with an update at the as soon as possible, but at the latest at the next meeting so the group can decide the best progression route.

Action: KB

- 2.5 CO then provided an update about the Customer Contributions sub-group. It was explained that the template which was developed has been updated and circulated to DNOs for comments and feedback.
- 2.6 The comments that have been requested is that all the DNOs can complete it, and following this it will be decided how best to progress the issue – whether a DCP should be submitted to DCUSA or whether it is developed into guidance notes.

3. OFGEM UPDATE

- 3.1 KB provided the Ofgem update to the group. The first item noted was in relation to the implementation dates of the CPs that are currently in the DCUSA Change Process, and noting that the Working Groups keep Ofgem aware of when to expect them to come for decision as there is currently a significant number outstanding.
- 3.2 The next item was in regard to Condition 3, it was confirmed that they have the numbers for the Network Use Factors (NUF) and they now need to determine whether the Condition has been fulfilled by DNOs. It was noted that there is still some work to do in regard to this, and that they feel that this is linked to DCP 138¹ and it was suggested that the Working Group should be looking at the NUFs.
- 3.3 The group discussed what would be needed once Ofgem makes a decision, a License change or a letter stating that the Condition has been fulfilled. KB agreed to discuss these items with Iain Morgan and provide an update to the June meeting of the DCMF MIG.

Action: KB

4. IDNO ISSUES

- 4.1 MH explained that IDNOs collectively have been looking at areas of the CDCM and PCDM and this work is ongoing. It was explained that this work has been undertaken by an external consultant and this presentation will explain where they are currently. This presentation is included as Attachment 1.
- 4.2 The group then discussed whether any of the ideas that have been raised in the presentation had been tested. MH explained that many of these items are still being discussed and developed.
- 4.3 The group then discussed how the issues may be taken forward, and when CPs may be submitted to DCUSA. MH noted that he expected that a few of the issues would be developed into CPs within the next few months.
- 4.4 MH then invited any further questions or comments to be directed to him.

5. DCUSA CHANGE PROPOSALS AND IMPLEMENTATION DATES

¹ Implementation of alternative network use factor (NUF) calculation method in EDCM

- 5.1 PW went through the spreadsheet which was circulated to the group regarding DCUSA Change Proposals (CP) and implementation dates. PW explained how the sheet is constructed and how the plans work in terms of submission dates to the DCUSA Panel. This presentation is included as Attachment 2.
- 5.2 It was highlighted that there are currently 12 potential CPs that could be implemented for April 2015, pending approval from Ofgem. JH requested that an extra column be added to the spreadsheet to explain when the CP will impact charges.
- 5.3 The group then discussed the timelines and dates that need to be met in order to have the approved CPs integrated into a consolidated model so they can be included within Indicative Charges.
- 5.4 The group also discussed the idea of doing an impact assessment on the cumulative impact of all the changes; CO felt that Ofgem would have to formally request this from the DCUSA Panel as currently all CPs have to be assessed on their own merit, not in conjunction with other CPs.

6. DNO SERVICE MODELS

- 6.1 AP noted that late in 2013 that a consultation was circulated regarding Service Models. To use the CCCM and the statements DNOs publish and reflect this information in the Service Models; this will ensure consistency across the DNOs.
- 6.2 AP noted that the consultation was delayed because it was agreed that using the final prices would be advantageous. AP then explained that he would re-circulate the consultation for comments and requested that DNOs complete the templates.

Action: AP

- 6.3 AP questioned whether this change can be implemented by updating the user manual or whether a DCP would be required. The group felt that the references are quite broad, and it could be included within the user manuals only. It was noted that will be asked in one of the consultation questions, and will take the feedback when responses are received.

7. EDCM REVIEW

- 7.1 MS then went through the EDCM Review Group Terms of Reference (ToR) that was

circulated to the group. This document is included as Attachment 3.

- 7.2 It was noted that the group has come about from Robin Hodgkins's paper that was submitted at the DCMF Annual Review in March 2014.
- 7.3 It was explained that this review group will take place under the auspices of the DCMF MIG rather than DCUSA in order to allow for a more thorough debate, and flexibility in the development and assessment of the issues.
- 7.4 The group reviewed the document and PW thought that the group should examine the decision document published by Ofgem regarding the EDCM so that the group can know the starting point, and help to illustrate where it is headed.
- 7.5 MS then highlighted that this is a draft ToR and it is open for revision. However, the MIG needs to have an idea of this review group's scope and the expected outputs.
- 7.6 KB noted that there are concerns about the EDCM, and it has only been in operation for 2 years and queried whether this is a sufficient amount of time to judge whether it has been successful in what is trying to accomplish. KB felt that this review should examine this point, and decide whether this review is premature.
- 7.7 KB also highlighted that in regard to the objectives of the EDCM, if they're right, is the EDCM delivering against the Objectives; this type of question is something that Ofgem would be interested in finding out.
- 7.8 There was discussion about the issues raised by FL, and how they are addressing certain policies; and the review should focus on how the EDCM has worked according to its objectives.
- 7.9 CO thought the group should not only look at the issues already raised, but also be flexible to add in issues that may come arise during the course of the review itself.
- 7.10 There was then discussion about DCP 206² and how it was a fundamental aspect of the EDCM methodology, and FL countered and said that it removes an adverse side effect of the methodology, and should therefore continue on through the DCUSA Change process and not be added into the EDCM review group.

² Removal of charge 1 from the EDCM

- 7.11 MS then asked for comments/amendments on the ToR to be sent to him by end of next week; he will then draft a revised version and send this back to the group for review. It was noted that this will also be discussed at the DCMF meeting in June.

8. EDCM GENERATION REVENUE TARGET – DRAFT DCP

- 8.1 CO explained that a draft proposal has been circulated, and there has not been any feedback received so far. CO thought that since this does not need to be in place for April 2015, that this could be picked up by the EDCM Review Group.
- 8.2 It was agreed by members of the group that this should be added into the EDCM review group.

9. UPCOMING COSTS/CP RELEVANT TO DCUSA

- 9.1 MW then explained the categories of this agenda item to the group. This update will be fed back to the DCUSA Panel regarding any upcoming costs or CPs that are expected to be submitted to the Panel in the near future.
- 9.2 The group discussed this item and only knew of potential costs, but nothing confirmed at this time. It was also noted by MH that he had a few CPs that he would be drafting for consideration within the next months.

10. ANY OTHER BUSINESS

- 10.1 There were no other items of business raised at the meeting.

11. SCHEDULE OF FUTURE MEETINGS

- 11.1 Future DCMF MIG meeting dates were agreed as follows:
- Thursday, 12 June 2014
 - Thursday, 10 July 2014
 - Thursday, 14 August 2014

APPENDIX A – ACTIONS**OPEN ACTIONS: Actions opened at this meeting and ongoing actions**

No.	Action	On	Status
38/01	KB to discuss with colleagues at Ofgem the issues around the issue regarding Rate of Return, and provide an update at the next meeting	KB	
38/02	KB to discuss with Iain Morgan about Condition 4, and the next steps for DNOs	KB	
38/03	AP to re-circulate the consultation on DNO Service Models for comments and requested that DNOs complete the templates.	AP	
37/01	IM agreed to take an action to work out a view from Ofgem, regarding the new MIG Issue raised by FL, for the CP to progress as its solution before it is raised formally into the DCUSA Change Process	IM	
37/04	IM to respond to the letter sent by DNOs regarding EDCM Development Issue 4 Ongoing	IM	
37/05	MS agreed to capture all these items, regarding the customer communications, in a document and discuss them at the May DCMF MIG meeting to determine a progression route Ongoing	MS	
37/06	To organize the invitation and first meeting for the EDCM and Locational Review Ongoing – will be discussed at the June meeting of the DCMF	CO and ElectraLink	
37/07	The MIG members to review and provide comments to CO regarding the draft CP for Issue 67	All	
036/01	CO will take the feedback to Patrick Barnes, the Chair of the sub-group, about the ambiguity about the reporting of the data in regard to Issue 41 ‘Customer Contributions’ CO updated PB and he will update the template and circulate it in advance of the next meeting. Will keep the action open	CO	By the next meeting
036/04	Parties to email IM at Ofgem if stating their interest in joining a group about Network Use Factors Ongoing - Keep this action open	All	Ongoing

CLOSED ACTIONS: Actions opened at this meeting and ongoing actions

No.	Action	On	Status
37/02	Update the MIG Issues log with the new issue raised by FL	ElectraLink	