

DCP 343 Working Group Meeting 02

07 June 2019 at 10:00am
Web-Conference

Attendee	Company
Working Group Members	
Andrew Enzor [AE]	Northern Powergrid
Dave Wornell [DW]	WPD
Ian Chadwick [IC]	UKPN
Lili Zou [LZ]	SSEN
Rebecca Cailles [RC]	BUUK
Observers	
Ankita Mehra [AM]	Ofgem
Code Administrator	
Angelo Fitzhenry [AF] (Chair)	ElectraLink
Hollie Nicholls [HN] (Technical Secretary)	ElectraLink

Apologies	Company
Claire Campbell	SPEN
Kathryn Evans	SPEN

1. Administration

- 1.1 The Chair welcomed the members to the meeting.
- 1.2 The Working Group reviewed the “Competition Law Guidance”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.3 The Working Group reviewed the minutes from the previous Working Group meeting, held on 08 April 2019. The Secretariat noted that an amendment had been made prior to the meeting following feedback from a Working Group member. This included adding an additional action into the minutes that was missed previously. With the addition, the Working Group agreed that the minutes were a true reflection of the discussions held. A copy of the final minutes can be found as attachment 1.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting is to review the collated consultation responses, draft legal text and draft Change Report.

3. Review of the DCP 343 Collated Consultation Responses

- 3.1 The Working Group reviewed the collated consultation responses and an updated version which includes the Working Group comments and conclusions can be found as attachment 2.
- 3.2 One Working Group member highlighted that their response to the consultation had not been sent over before the deadline and requested that their company’s responses were included as part of the document. The Secretariat agreed to include these with the other responses.

ACTION 02/01: The Secretariat to include the late/missing responses in the collated consultation responses document.

Question one

- 3.3 The Working Group noted all responses to question one and concluded that all respondents understood the intent of the Change Proposal (CP). However, the Working Group included one clarification point to state that the costs for the Nominated Calculation Agent (NCA) were not covered by DCUSA as suggested by one respondent.

Question two

- 3.4 One respondent raised a number of questions and concerns regarding the proposed solution, including what has changed since the NCA was appointed, leading to the DNOs no longer requiring their service and what assurances/guarantees do LDNOs have that they will not be disadvantaged by the loss of an independent agent.
- 3.5 The Working Group discussed that the introduction of the NCA was originally only to conduct the HV split calculation. The introduction of the LV mains split was introduced by the implementation of DCP 240 ‘Nominated Calculation Agent to calculate the LV Mains Split’¹ and the Working Group agreed to include the rationale from the DCP 240 Change Report in the DCP 343 Change Report. In regard to the assurance and guarantees, one Working Group member stated that the DCUSA Legal text is clear as to

¹ [DCP 240](#)

what is needed to conduct the LV Mains Split and so the assurance would be that the DNOs would need to be compliant with the DCUSA.

Question three

- 3.6 One Working Group member questioned how the DNOs would acquire the HH metered customer numbers as the D0314 flow only contains the NHH metered customer numbers. The Working Group noted that the LDNOs currently send all of their data in a spreadsheet to the NCA and so it would be beneficial to make sure that the legal text is clear that they would also need to send the DNOs the HH Metered Data separate from the information taken from the D0314 flow.
- 3.7 One Working Group member questioned the data they should use from the D0314. It was confirmed that it should be the customer bill count number that they use but each DNO agreed to check how they are using the D0314 flow and which numbers they are using for the total customers numbers.

ACTION 02/02: DNO Working Group members to check how they use the D0314 flow and see which numbers they are using for the total customer numbers.

Question four

- 3.8 In response to question four, one respondent highlighted that they were not supportive of the change or for the LDNOs being able to request the data used by the DNOs. The current process allows LDNOs to submit their data themselves and therefore it would introduce an additional process and complication and also questioned how a challenge process would be governed.
- 3.9 The Chair suggested whether a challenge timescale would need to be included in the legal text. The Working Group agreed that this would work, however, one Working Group member questioned what would happen if an LDNO challenged the data outside the timescale. Other Working Group members agreed that if the legal text was clear that there was a timescale in place for any challenges then anything outside of the timescale would not be accepted.

Question five

- 3.10 The Working Group noted that the majority of responses agree with the proposed solution, however, there were two respondents who were not supportive with one believing that the NCA should be retained and the other not believing that the D0314 flow was sufficient to obtain the data required from the LDNO.

Objective six

- 3.11 One respondent provided the Working Group with a different solution consider. This involved the LDNO providing their data to the DNO rather than the NCA (as they do now) so that the DNO has all of the data required to calculate the LV Split.
- 3.12 The Working Group discussed this alternative solution and agreed that they would progress with a hybrid solution that required the LDNO to provide all the data to the DNO no later than the end of September each year. If the data was not provided in time, then the DNO would use the D0314 flow to obtain the data.
- 3.13 This hybrid solution would also alleviate the need for the DNOs to provide the data to the LDNOs on request as the LDNOs would have provided the data themselves.

Question seven

- 3.14 The Working group discussed the responses to the question seven and agreed that the responses were now superseded by the new hybrid solution. However, one suggestion to include the formula needed to be used by the DNO to calculate the LV mains split would be taken forward.

Question eight

- 3.15 The majority of respondents to this question agree with the Proposer that DCUSA Charging Objective six would be better facilitated by the implementation of DCP 343. However, two respondents did not believe that this would be the case. One Working Group member suggested that the Working Group would need to detail in the Change Report how DCP 343 is different to the DCP 240 that introduced the LV mains split .

Question nine

- 3.16 The majority of respondents did not believe that the Working Group needed to consider any other industry developments, however, one respondent did note that the current Access and Forward-Looking Charging Significant Code Review could impact this change as it is looking at the current charging methodologies which are likely to change as a result. The Working Group understand that this is the case, but they believe that this change can still progress.

Question ten

- 3.17 The Working Group discussed the proposed implementation date and one Working Group member questioned whether the current NCA had any break clauses within their contract. The Proposer of the change agreed to speak with the NCA and feed back to the Working Group members.

ACTION 02/03: The Proposer to determine whether there are any break clauses in the current NCA contract that would prevent the implementation of the change.

- 3.18 It was also questioned whether the change should be considered a Part 1 Matter rather than a Part 2 Matter. It was felt that because DCP 240 was a Part 1 Matter, this change should also be considered the same and Ofgem should make the final determination. The Working Group agreed that this should be the case and agreed that the change should be considered a Part 1 Matter.

4. Review of DCP 343 Draft Legal Text

- 4.1 The Working Group reviewed the proposed legal text and agreed that the drafting needed to be updated to reflect the new hybrid solution and to ensure that the equation, needed to be conducted by the DNO to calculate the LV Mains Split, was included.
- 4.2 The Proposer of the CP agreed to make the amendments and an updated version of the legal text can be found as attachment 3.

ACTION 02/04: The Proposer of the CP to update the legal text to reflect the discussions held.

5. Review of DCP 343 Change Report

- 5.1 The Working Group agreed that there were a lot of areas that required updating to reflect the discussions held. Therefore, the Secretariat agreed to update the document and circulate to the Working Group.

ACTION 02/05: The Secretariat to update the draft Change Report and circulate to Working Group members.

6. Work Plan and Next Steps

- 6.1 The Working Group reviewed the Work Plan and an updated version can be found as attachment 4.
- 6.2 The Working Group agreed that the next steps for the CP were as follows:

- The Secretariat to update the draft Change Report to reflect the discussions held and circulate to Working Group members;
- The Proposer of the CP to update the draft legal text to reflect the new hybrid solution; and
- The Working Group to meet again on 26 June 2019 to review the finalised Change Report and legal text.

7. Agenda items for the next meeting

- 7.1 The Working Group agreed that the next meeting will be to review the finalised Change Report and legal text.

8. Any Other Business

- 8.1 There were no items of AOB, and the Chair closed the meeting.

9. Date of Next Meeting – 26 June 2019

- 9.1 The Working Group agreed that the next meeting will be held on Wednesday 26 June 2019 at 10am via teleconference.

10. Attachments

- Attachment 1 – DCP 343 Meeting 01 Final Minutes
- Attachment 2 – DCP 343 Updated Collated Consultation Responses
- Attachment 3 – DCP 343 Updated Legal Text
- Attachment 4 – DCP 343 Updated Work Plan

New and Open Actions

Action Ref.	Action	Owner	Update
02/01	The Secretariat to include the late/missing consultation responses to the collated consultation responses document	ElectraLink	Post-meeting note: Action Closed Updated collated consultation responses document found as attachment 2 to these minutes
02/02	DNO Working Group members to check how they use the D0314 flow and see which numbers they are using for the total customer numbers	DNO Working Group members	
02/03	The Proposer to determine whether there are any break clauses in the current NCA contract that would prevent the implementation of the change	Andrew Enzor	
02/04	The Proposer of the CP to update the legal text to reflect the discussions held	Andrew Enzor	Post-meeting note: Action Closed Updated legal text found as attachment 3 to these minutes
02/05	The Secretariat to update the draft Change Report and circulate to Working Group members	ElectraLink	

Closed Actions

Action Ref.	Action	Owner	Update
01/01	The Proposer of the CP to obtain the potential cost saving information from the incumbent NCA.	Andrew Enzor	Action Closed
01/02	The Secretariat to draft a consultation document to be circulated to the Working Group with the minutes of the first meeting.	ElectraLink	Action Closed

01/03	Working Group members to provide any comments or amendments on the draft consultation by close of play on 18 April 2019	All WG Members	Action Closed
01/04	The Secretariat to finalise the consultation document and issue to Parties w/c 22 April 2019	ElectraLink	Action Closed
01/05	The Secretariat to update the Work Plan to reflect the next steps for the CP.	ElectraLink	Action Closed
01/06	The Secretariat to draft a Change Report for review at the next Working Group meeting	ElectraLink	Action Closed