

DCP 325 Working Group Meeting 08

17 May 2019 at 10:00am

Web-Conference

Attendee	Company
Working Group Members	
Andrew Enzor [AE]	Northern Powergrid
Dave Wornell [DW]	WPD
Chris Ong [CO]	UK Power Networks
Donald Preston [DP]	SSEN
Julia Haughey [JH]	EDF Energy
Kara Burke [KB]	Northern Powergrid
William Jago [WJ]	N Power
Code Administrator	
Dylan Townsend [DT] (Chair)	ElectraLink
Huw Neyroud [HN] (Technical Secretariat)	ElectraLink

Apologies	Company
Kathryn Evans	SPEN
Hollie Nicholls	ElectraLink
George Moran	Centrica (British Gas)

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 meeting held on 15 February 2019 and agreed that they were a true reflection of the discussions held.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting is to review the model specification created by CEPA/TNEI to ensure that all Working Group members were comfortable with the content and to agree the next steps in the DCP 325 Consultation.

3. Review of the DCP 325 Modelling Documentation

- 3.1 The Working Group reviewed the outputs from their request to the DCUSA modelling consultant, which at a high level, was to assist to further develop a solution for the modelling of future tariff forecasts that may be more innovative than the current ARP. The Working Group requested for the solution to be:
- no more onerous for DNOs to populate than the current ARP / Schedule 15 table three. This will likely be best achieved by aligning the input structure to that used in the CDCM model; and
 - a model which Suppliers and others can fully interact with to model their own scenarios, utilising their own variations on the forecasted input values which the DNOs have provided.
- 3.2 This new model created for the DCP 325 Working Group has been given the name 'Illustrative Forecast Model' and a copy of the document can be found as Attachment 1.
- 3.3 The Chair began by asking the Working group if all members present have had enough time to review the modelling prior to the meeting to which not all members had. One Working Group member noted that they'd tested the model and had found the IFM outputs to be as expected. Another member noted that although they hadn't tested the model, it was set out as expected.
- 3.4 The Working Group agreed that although not all members have had a chance to use, the overall look and feel is that the model is simpler than the current ARP but more complicated than the 'Cost Information Tables' of Schedule 15.
- 3.5 It was noted that the Working Group requested that the modelling consultant should include Table 3 as referred to in Schedule 15, but not Tables 1 or 2 and that this may be requested as a further iteration if needed.
- 3.6 One member suggested some changes to the IFM to accommodate Table 1 from Schedule 15, and this was agreed as a beneficial addition. It was noted that Table 1 had been included in the version of the tables used in the consultation and that when adding it to the IFM, the feedback from the consultation would be taken into account which was that the previous submission and variance are included on one sheet. Further to this, it was noted that the 'general inputs' tables for revenue allowances could be linked to table 1, which would mean that Suppliers can update revenue assumptions across all years and re-run tariffs by only changing one worksheet.
- 3.7 Members noted that the number of viewable worksheets meant that the IFM felt cumbersome and/or overly complex and that depending upon who was using and/or viewing the IFM, some worksheets would be of little to no use. A suggestion was made that a macro could be used within the spreadsheet so that the calculation and input worksheets could be hidden but to also include some buttons so that a user easily unhide, depending on what they are using the IFM for.
- 3.8 From these suggestions an action was taken to modify the spreadsheet with the suggestions to hide some of the unused calculation sheets, include the Table 1 as is from Schedule 15 and to also link the calculation spreadsheets to that table.

- 3.9 The Chair inquired if the rest of the Working group had any further thoughts on the model, to which no further issues were raised.

Action 08/01: AE to modify the IFM to hide some of the unused input and calculation sheets and include the Table 1 as is from Schedule 15 and to link the calculation spreadsheets to that table and then circulate to the Working group for review.

4. Review of the DCP 325 Considerations Log

- 4.1 The Working Group reviewed the Consideration Log relating to DCP 325 and in doing so agreed that the IFM could be updated to include the two additional worksheets that flow from the agreed action to include Table 1 above. These additional worksheets were as a result of suggestions made by respondents to the first consultation and include:
- A breakdown of the RPI; and
 - A breakdown of the MOD.
- 4.2 The Working Group identified that as a result of a suggestion made by a respondent to the first consultation, Table 2 would be changed to allow DNOs to provide information related to the biggest risks to their revenue that they have identified. As was previously agreed, this would need to be in the form of a “free field” included in the table without a specified format. From these suggestions an action was taken to modify the spreadsheet accordingly.

Action 08/02: AE to modify the IFM to include additional worksheets for, a breakdown of the RPI and breakdown of the MOD as well as including the previously agreed amended version of Table 2 that will allow DNOs to provide information related to the biggest risks to their revenue that they have identified.

- 4.3 An updated version of the Considerations Log acts as Attachment 1 to the minutes.

5. Work Plan and Next Steps

- 5.1 The DCP 325 Working Group agreed the following next steps:
- Agreed amendments to be made to the IFM and then circulated to the Working group for review.
 - ElectraLink to review current version of draft legal text and amend in line with the agreed amendments to the IFM.
 - The purpose of the next meeting will be to review the updated IFM and draft legal text.

6. Any Other Business

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

7. Date of Next Meeting – 4th June 10am.

- 7.1 The Working Group agreed that the next meeting will be held on the 4th of June at 10am and will be held via a teleconference.

8. Attachments

- Attachment 1 – DCP 325 Considerations log.

New and open actions

Action Ref.	Action	Owner	Update
03/01	DNO Working Group members to review the electricity PCFM to determine what should be included within the Clause 35A requirements that would breakdown the MOD Term.	DNO Working Group Members	Ongoing
05/01	AE to update the proposed tables template to update the formatting of table 3 to reflect the LC14 table.	Andrew Enzor	Ongoing
05/03	ElectraLink to draft a second consultation document and include the pros and cons for all options regarding the timing of the Cost Information Tables publication.	ElectraLink	Ongoing
08/01	modify the IFM to hide some of the unused input and calculation sheets and include the Table 1 as is from Schedule 15 and to link the calculation spreadsheets to that table and then circulate to the Working group for review.	Andrew Enzor	
08/02	modify the IFM to include additional worksheets for, a breakdown of the RPI and breakdown of the MOD as well as including the previously agreed amended version of Table 2 that will allow DNOs to provide information related to the biggest risks to their revenue that they have identified.	Andrew Enzor	

Closed Actions

Action Ref.	Action	Owner	Update