

DCP 325 Working Group Meeting 05

11 January 2019 at 10:00am

Web-Conference

Attendee	Company
Working Group Members	
Andrew Enzor [AE]	Northern Powergrid
Chris Ong [CO]	UK Power Networks
Dave Wornell [DW] (Part-Meeting)	WPD
Donald Preston [DP]	SSEN
George Moran [GM]	British Gas
Julia Haughey [JH]	EDF Energy
Kara Burke [KB]	Northern Powergrid
Karl Maryon [KM]	Haven Power
William Jago [WJ]	N Power
Code Administrator	
Dylan Townsend [DT] (Chair)	ElectraLink
Hollie Nicholls [HN] (Technical Secretariat)	ElectraLink

Apologies	Company
Chris Barker	BUUK
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 meeting held on 06 December 2018 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 DCP 325 Considerations Log and agree the next steps for the change.

3. DCP 325 Considerations Log

- 3.1 The Working Group reviewed the DCP 325 Considerations Log and an updated version of this can be found at Attachment 1.
- 3.2 The Working Group agreed that the first consideration for table 1 is still ongoing and needs to be reviewed by all DNO Working Group members before a solution can be developed. This consideration also correlates to action 03/01 below and therefore, this will be kept open.
- 3.3 It was also agreed that the second consideration for table 1 had been completed and the most recent proposed template (attachment 2) includes a single sheet that allows parties to include the ‘Price index adjustment factor (RPIf) data. The Chair questioned whether there should be any updated to the proposed legal text in this area, however, it was confirmed that it would be dependent on whether the Working Group decided if the template should be a centrally controlled model or whether the legal text refers to a specific model. This has been included in the considerations log for Working Group members to review.
- 3.4 The Working Group confirmed that the first consideration for table 2 has been completed as the proposed template includes a commentary field for risks to be identified. The legal text would need to be updated whether it is in the model or not, as it will distinguish what needs to be included in the field by the DNOs.
- 3.5 The first considerations for table 3 was discussed, during which It was noted that the suggestion from Haven Power is a matter of preference between the presentation of tariffs in the outputs of the CDCM or the LC14 table. The Proposer of the Change Proposal (CP) voiced that their preference would be the CDCM format as it would be easier for the DNOs to populate. The Working Group concluded that it would be beneficial for the DNOs to be consistent in how they populate table 3 and they should be pragmatic in their decision by taking into account who uses table 3. Therefore, it was agreed that the Working Group should update the template so that it uses the same format as the LC14, taking forward the suggestion from Haven Power. The considerations log has been updated to reflect this decision.

ACTION 05/01: AE to update the proposed tables template to update the formatting of table 3 to reflect the LC14 table.

- 3.6 The Working Group revisited the industry responses to question 5 to determine the second consideration for table 3. It was noted that one respondent suggested that table 3 does not provide any insight, however, the suggestion to include an additional sheet for commentary would alleviate this and will provide insight for the industry who are using table 3. After a review of the other responses to question 5, the Working Group agreed that the additional commentary would be beneficial to industry and would include it in the template. Some respondents suggested that they would not necessarily provide any commentary which the Working Group agree would still be useful. The considerations log was updated to reflect this decision.
- 3.7 The Working group discussed the locations of the Cost Information Tables and agreed that they should be maintained within DCUSA document.
- 3.8 The Working Group discussed the usefulness and components of the Annual Review Pack and agreed that this was now the crux of this CP. When considering the first comments, one Working Group member disagreed that there was a 50:50 split in opinions in response to question 7 of the consultation as some of the responses will have come from the DNO community which should be taken in to consideration as they do not use the ARP. Another Working Group member suggested that if one Supplier uses the ARP and finds it useful, it should still be produced. The Proposer highlighted that it was unclear as to whether Parties are using the information included in the ARP or whether they use the functionality of the actual ARP model. It was suggested that the way the ARP is currently published, the sheets are enormous, and it isn't always clear what the DNO has changed, but it would be clearer in the new proposed template and the CDCM models can be used alongside it. One Working Group member disagreed as this would mean that each Supplier would need to look at five CDCM models for all 14 DNO areas to be able to look at the next five years' worth of charges. It was suggested that a new tool could be developed which would allow Suppliers to be able to look at the outputs of the CDCM for all DNO areas. AE and KB agreed to look at potential solutions and speak with CEPA/TNEI if required.

ACTION 05/02: AE and KB to develop potential solutions for a tool that would allow Suppliers to review the outputs of the CDCM for all DNO areas.

- 3.9 The Working Group reviewed the consideration of combining the ARP with the Cost Information Tables and agreed that this should be reviewed further once a decision has been made regarding the potential new tool replacing the ARP.
- 3.10 The Working Group reviewed the timings of the publications of the Cost Information Tables suggestion on the considerations log. It was noted that the Working Group had previously agreed that the publications should occur in the first five working days of January, June and September to align with the HM Treasury forecast publications. However, after reflection, the Working Group decided that they should probably ask a further question in the next consultation as to whether Parties would prefer to align with the HM Treasury forecasts or stick to the status quo.
- 3.11 It was also noted that Suppliers can ultimately use the HM Treasury information themselves so would not gain any additional information if the publications were aligned. The Working Group agreed that they should include the pros and cons of both scenarios and ask the question again. The Working Group suggested that they consult on the status quo, moving the publication to the month after the HM Treasury publications, the suggestion made by ENWL in their consultation response and whether

there are any other options that should be considered. The group also noted that it would be beneficial if the consultation document could ask respondents to for their preference. ElectraLink agreed to include this when drafting the second consultation document.

ACTION 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.

- 3.12 The Working Group discussed the provision of the Provision of Costs teleconference that is currently convened by Energy Networks Association on behalf of the DNOs. The Working Group agreed that these should be convened by the DCUSA Secretariat and therefore, the legal text will need to be updated to reflect this.
- 3.13 The Working Group agreed that the implementation date for this CP is still ongoing and Working Group members will need to review once the solution for the CP has been concluded.

4. Review of the DCP 325 Legal Text

- 4.1 The Working Group discussed that if they are proposing different solution options in the second consultation then there would be more than one draft of legal text for Parties to consider. However, the Working Group agreed that it would be more beneficial to have a third consultation on the legal text and DCUSA Objectives once the solution has been finalised.

5. Work Plan and Next Steps

- 5.1 The DCP 325 Working Group agreed the following next steps:
- AE and KB to look at potential solutions for a new tool which would allow Suppliers to be able to review all of the CDCM outputs for each of the DNO areas without the need of the ARP;
 - AE and KB to report back to the Working Group by close of play on Friday 18 January 2019;
 - The Working Group to then decide whether their next Working Group meeting placeholder is required on Thursday 24 January 2019;
 - AE and KB to liaise with CEPA/TNEI to request input into their potential tool solution and request that CEPA/TNEI attend a future Working Group meeting if required; and
 - ElectraLink to draft a second consultation document.
- 5.2 An updated version of the work plan can be found as Attachment 3.

6. Agenda Items for the next meeting

- 6.1 The Working Group agreed to add the following items to the agenda for the next meeting;
- Review of the tool solution that would potentially replace the ARP; and
 - Review the draft second consultation document.

7. Any Other Business

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

8. Date of Next Meeting – 24 January 2019

- 8.1 The Working Group agreed that the next meeting will be held on 24 January 2019. This will be set as a placeholder in case the Working Group feel it is necessary to discuss AE and KB proposals for a new tool which would allow Suppliers to review all of the outputs of the CDCM for all DNO areas.

9. Attachments

- Attachment 1 – DCP 325 Updated Considerations Log
- Attachment 2 – DCP 325 Proposed Template
- Attachment 3 – DCP 325 Updated Work Plan

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	
05/02	AE and KB to develop potential solutions for a tool that would allow Suppliers to review the outputs of the CDCM for all DNO areas.	Andrew Enzor and Kara Burke	
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	

Closed Actions

Action Ref.	Action	Owner	Update
04/01	The Secretariat to produce a Considerations Log for Working Group members to review to help aid the development of the solution for the change.	ElectraLink	Action Closed
04/02	Working Group members to review the Considerations Log and provide commentary before the next Working Group meeting on Friday 11 January 2018	All WG Members	Action Closed