

**Meeting Name** DCMF MIG  
**Meeting Number** 066  
**Date** 10 November 2016  
**Time** 10:00am  
**Venue** ElectraLink, 2-3 Golden Square, W1F 9HR, London

<b>Attendee</b>	<b>Company</b>
Andy Pace [AP] (Chair)	Cornwall
Claire Campbell [CC]	SP Energy Networks
Chris Barker [CB] (teleconference)	ENWL
Chris Ong [CO]	UK Power Networks
Donna Townsend [DT] (teleconference)	ESP Electricity
George Moran [GM]	British Gas
Helen Fosberry [HF]	E.ON Energy
Julia Haughey [JH]	EDF Energy
Karl Maryon [KMO]	Haven Power
Keith Burwell [KB] (teleconference)	Ofgem
Mark James [MJ]	UK Power Networks
Matt Johnson [MJN]	ESP Electricity
Michael Walls [MW]	ESP Electricity
Mike Harding [MH]	Brookfield Utilities
Mo Sukumaran [MS]	SSEN
Neil Brinkley [NB]	Brookfield Utilities
Pat Wormald [PW]	Northern Powergrid
Simon Yeo [SY]	Western Power Distribution
Tom Chevalier [TC] (teleconference)	PDA
Arno Vanden Eynde [AVE]	ElectraLink Ltd
 <b>Apologies</b>	 <b>Company</b>
Franck Latromeliere [FL]	Reckon

## **1 REVIEW OF PREVIOUS MINUTES AND ACTIONS**

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- 1.1 The minutes of the previous meeting were approved without amendment.
- 1.2 All the actions were reviewed and updated and are included as Appendix 1.

## **2 MIG ISSUES LIST AND STANDING UPDATES**

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- 2.1 The group reviewed the MIG Issues Log. The updated MIG log is included as [Attachment 1](#).

## **3 CDCM REVIEW – REVIEW OF COMMENTS**

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- 4.1 The group noted that following the October 2016 MIG meeting, the initial findings and options (Stage 1) on the work which the CDCM review group had carried out, was sent out for commenting.
- 4.2 The group reviewed and discussed the comments which had been submitted by BUUK and British Gas – see Attachment 2. In summary, the group noted that some of the key comments related to:
  - The CDCM review findings lacking an explanation of the principles which sit behind the existing model, and the assessment of the various issues against these principles;
  - The 500MW model not reflecting reality in that it excludes the very real costs of reinforcement and asset replacement. This leads to a distortion of the allocation of revenues to be recovered from different customer groups.
- 4.3 Members suggested that it would be opportune for both British Gas' and BUUK's comments and observations to be incorporated within the CDCM findings paper, before commencing the second phase of the review.
- 4.4 In terms of next steps, members agreed that stage 2 – to commence in January 2017 – carries out detailed analysis and provides evidence in support of which of the identified options are worthwhile pursuing. KB advised members that the group does not necessarily need to identify one single recommendation, but that instead it would be acceptable to narrow down the recommendations. In respect of the evidence and analysis required, members agreed that it may be desirable to have this done by an independent third body. The group also noted that the output of stage 2 could be submitted as a response to Ofgem's call for evidence on its Smart, Flexible Energy system.

- 4.5 In terms of preparation for stage 2, members suggested that it would be essential to have a project plan, with deliverables and milestones, in place in advance of January 2017. CO agreed to develop such a plan, and present it for review at the December 2016 meeting.

**Action 20161110/01: CO**

## **5 EDCM REVIEW – OFGEM LETTER**

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- 6.1 MS presented to the group Ofgem's response in respect of the EDCM review – see [Attachment 3](#).
- 6.2 As per with stage 2 of the CDCM review, members indicated that there will be a potential need to bring in a third party in support of providing particular evidence and analysis.
- 6.3 The group noted that some areas can be progressed through individual DCUSA CPs; in respect of some of the other areas, members felt these could potentially be incorporated within stage 2 of the CDCM. CO took an action to incorporate some of the relevant elements of the EDCM review in the project plan for stage 2 of the CDCM.

**Action 20161110/02: CO**

## **7 MID-YEAR TARIFF CHANGES**

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- 7.1 The group reviewed a new issue – set out in [Attachment 4](#) – which highlights a number of situations whereby unmetered customers on DUoS tariffs with a seasonal basis are changing tariffs part way through the year.
- 7.2 The group recognised that such tariffs have been created on the basis that the charges reflect a full year of costs. Changing tariffs throughout the year will advantage the customer but distort the cost recovery envisaged by the tariff design.
- 7.3 As a principle, the group agreed that once customers have moved to a HH tariff, they should stay on a HH tariff, unless a subsequent switch is considered legitimate – a decision which the group agreed should be at the DNOs' discretion.
- 7.4 Whilst reviewing and discussing the several options for how this can be best addressed, members expressed for the agreed principle to be underwritten within LDNO's charging statement. DNOs collectively took an action to draft up the principle for inclusion within the charging statement for 2018/19. Whilst submitting the 2018/19 charging statement to Ofgem for approval, members suggested that the Authority is also asked to have the principle written in the charging statement for 2017/18.

**Action 20161110/03: DNOs/Ofgem****8 ENERGY UK ELECTRICITY NETWORK CHARGING ARRANGEMENTS REPORT**

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- 8.1 The group took the Energy UK's findings paper – and Ofgem's subsequent response – on electricity network charging arrangements as read and noted – see [Attachment 5](#).

**9 2017/18 NHH TARIFFS FOR PROFILE CLASS (PC) 5-8 CUSTOMERS**

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- 9.1 The group reviewed the monthly Performance Assurance Board (PAB) report, noting thereby Suppliers' latest status update on migrating customers on NHH tariffs for Profile Classes (PC) 5-8.
- 9.2 CO advised the group that approx. 20k sites may not have migrated by April 2017, which could either be due to a delayed P272 implementation, or as a result of those sites not having AMR<sup>1</sup> meters installed. The group noted that another key challenge associated to the issue relates to the fact that it remains unknown whether the anticipated volume is due to particular Suppliers, or concentrated in one single area.
- 9.3 The group noted that the matter could be resolved for 2018/19 subject to DCP 270 'Removal of HV Medium Tariff from CDCM' being approved. Whilst this would be the case for 2018/19, members noted that the issue would not be resolved for 2017/18, in which case members advised parties to anticipate a potential volume of those customers.
- 9.4 In terms of determining the magnitude of sites where no AMR is present, members requested that DNOs repeat the exercise which was carried out as part of DCP 179 'Amending the CDCM tariff structure', and have the categories of customers split by sites with and without AMR.

**Action 20161110/04: DNOs**

- 9.5 In support of the discussion in this area, DT questioned whether some of the required information could be answered or derived from the Metering Point Registration System (MPRS). DT agreed to forward the respective information to the group.

**Action 20161110/05: DT (complete – see post meeting note)****POST MEETING NOTE**

- 9.6 The information sent through by DT to the group informed that St Clements had released a P272 Progress Report script at the end of October 2016. The code can be run on a daily basis or

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<sup>1</sup> AMR Meter – Automated Meter Read Meter

monthly. The script reports on all PC 5-8 registrations that are effective on the last day of the previous month (using the MPRS System Date). The output provides 2 reports:

- a count per Supplier for each PC, Energisation Status (ES) and a Supplier Total (and a final overall total),
- an MPAN Detail report with PC, ES, Supplier and MPAN (UMS and Export MPANs are ignored).

9.7 There also appears to be additional standard reports that can be used – the General MPAN Extract Report in the front-end MPRS reports. This can be run for each PC and can be filtered on Measurement Class A. There also appears to be a Change of Measurement Class report from the same menu that details all MC movements in the month.

9.8 Regarding the ability to identify if a customer wasn't moving across because there was no AMR meter installed, distributors receive a D0150 flow for each NHH MPAN. The flow has a mandatory field that reports the meter type and would identify whether the meter is AMR or not.

## 10 ANY OTHER BUSINESS

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### DCP 'Generation credits in EDCM'

10.1 AP informed members that a DCP is due to be presented to the December 2016 Panel on 'Generation credits in EDCM'. AP welcomed the MIG's comments and review, and asked for feedback to be submitted by 2<sup>nd</sup> December 2016.

### Future Governance of DCMF and MIG

10.2 CO provided the group with an update to the group on the recently issued consultation on the future governance of DCMF and MIG. The group noted that the consultation originates from Ofgem's Code Governance Review (CGR) Three<sup>2</sup>. In relation to charging methodologies, the review set out that the inclusion of charging methodologies within the governance of industry codes has been beneficial, but further improvement could be made under DCUSA to reduce fragmentation, and improve accessibility, of information relating to the development of changes to the charging methodologies. Ofgem's CGR3 Final Proposal recommended that any discussions relating to the charging methodologies are undertaken within an open governance framework.

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<sup>2</sup> <https://www.ofgem.gov.uk/licences-codes-and-standards/codes/industry-codes-work/code-governance-review>

10.3 CO advised members that the following 2 options are being consulted:

- Option 1 - Proposes moving only the MIG under DCUSA governance. This would have an independent chair and be where all charging methodology discussions (outside of the formal change proposal process) would take place. The DCMF and DCM would both remain under the ENA, chaired by DNOs, and would be unchanged from how they currently operate.
- Option 2 - Proposes moving all of the groups (i.e. the DCMF, the MIG and the DCM) under DCUSA governance. It is proposed that a single group would be created and would have an independent chair appointed; subsequent group structure changes may take place to meet any DCUSA operational requirements. The subsequent meetings would likely consist of separate elements, so that interested parties could attend some meetings, or parts of meetings and not necessarily all.

10.4 The group noted that the consultation had been issued out via survey monkey, and that the closing date for responding is 25<sup>th</sup> November 2016. The MIG advised that it would be opportune for ElectraLink to send out a reminder a few days prior to the closing date.

**Action 20161110/06: ElectraLink**

## **11 NEXT MEETING**

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11.1 The next DCMF MIG meeting date is scheduled on the 8<sup>th</sup> December 2016 at 14.00.

## **12 ATTACHMENTS**

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- Attachment 1 – Updated MIG Issues Log
- Attachment 2 - CDCM Review
- Attachment 3 – EDCM review – Ofgem letter
- Attachment 4 – Mid-year tariff changes
- Attachment 5 – Energy UK Electricity Network Charging Arrangements report

**APPENDIX A: SUMMARY OF ACTIONS****NEW AND OPEN ACTIONS**

Action Ref.	Action	Owner	Update
066/01	To develop a project plan on stage 2 of CDCM review, for review at the December 2016 meeting.	CO	
066/02	To incorporate in the stage 2 of the CDCM project plan relevant elements for consideration and progression as part of ongoing EDCM review	CO	
066/03	To draft up the principle for inclusion within the charging statement, setting out the rules for switching tariffs throughout the year for unmetered supplies; for Ofgem to confirm whether the principle could also be written in the charging statement for 2017/18	DNOs/Ofgem	
066/04	To determine the magnitude of sites where no AMR is present, by repeating the exercise which was carried out as part of DCP 179 'Amending the CDCM tariff structure', and have the categories of customers split by sites with and without AMR.	DNOs	

066/05	To forward to the group the information in relation to relevant to the Metering Point Registration System (MPRS), which could be of use on the 2017/18 NHH Tariffs for Profile Class (PC) 5-8 customers	Donna Townsend	Complete – see section 9.6-9.8 of minutes
066/06	To send out a reminder for the DCMF / MIG governance framework consultation, a few days prior to the closing date.	ElectraLink	
064/02	Submit the draft CP based on MIG issue 86 to TC for comments prior to circulating to the DCMF MIG for their views.	Chris Ong / Tom Chevalier	Ongoing – to be looked at in light of indirect impacts on the Balancing and Settlements code (BSC)

**ACTIONS AGREED CLOSED AT THE MEETING**

Action Ref.	Action	Owner	Update
065/01	Update the September 2016 minutes as per comments of the group	ElectraLink	Complete
065/02	Update the MIG Issues log	ElectraLink	Complete
065/03	To circulate the CDCM review findings to MIG members seeking comments back in advance of the November 2016 MIG meeting	ElectraLink	Complete

065/04	To review the DCPs in relation to embedded generation and generation scaling, and feedback their comments by COB Tuesday 11th October 2016, before being submitted to the DCUSA Panel for consideration	All	Complete
064/03	Provide the DCP 251/252 Working Groups feedback to the proposer of MIG issue 89 with the suggestion from the DCMF MIG that a separate change may need to be raised to develop a solution, but it may be better to wait until DCP 251 & 252 is concluded as it will touch on some of the issues raised in the change but is not in scope of the DCPs as they currently stand.	ElectraLink	Complete - Out of scope of 251 and 252 – to keep on hold and update MIG issues log
060/03	<p>To liaise with Elexon’s Performance Assurance Board (PAB) and the ENA’s Commercial Operations Group (COG) to gain visibility on the number of customers per DNO area which are expected to be fall within the NHH tariffs for PC 5-8 customers</p> <ul style="list-style-type: none"> <li>To circulate in advance of the June meeting, the PAB’s report including the nationwide figure, once published on the Elexon website</li> </ul>	CO	Complete

	20160609 – issue to be monitored – keep as standing agenda item		
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