

DCP 284 Working Group Meeting 04

10 March 2017 at 10:00am

ElectraLink Ltd 10 Bloomsbury Way, Holborn, London, WC1A 2SL /
Skype Meeting

Attendee	Company
Working Group Members	
Andrew Enzor [AE]	Northern Powergrid
Andy Pace [AP]	Cornwall Insight
Chris Barker [CB] (teleconference)	Electricity North West
Chris Ong [CO] (teleconference)	UK Power Networks
Claire Campbell [CC] (teleconference)	SP Energy Networks
Edda Dirks [ED]	Ofgem
Emma Clark [EC] (teleconference)	Scottish and Southern Electricity Networks
Jonathan Graham [JG]	The Association of Decentralised Energy
Urmi Mistry [UM]	National Grid
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Dylan Townsend [DT] (technical secretariat)	ElectraLink

Apologies	Company
Simon Yeo	Western Power Distribution

1. Welcomes and Apologies

1.1 The Secretariat noted the welcome and apologies for this meeting.

2. Administration

- 2.1 The Working Group reviewed the “*Competition Law Do’s and Don’ts*”. All Working Group members agreed to be bound by the Competition Laws Do’s and Don’ts for the duration of the meeting.
- 2.2 The minutes of the last meeting were approved as an accurate record of proceedings pending the following amendment:
- Remove the word if from the below statement added to the minutes from meeting 02.
 - *‘If should the change report result in decreased credits the proposer would consider withdrawing the CP’*

ACTION 04/01: ElectraLink to remove the word ‘if’ from the below text added to the minutes from meeting 02:

- **‘If should the change report result in decreased credits the proposer would consider withdrawing the CP’**

- 2.3 The Working Group reviewed the actions in Appendix 1 noting the actions that have been closed since the last meeting. The Working Group had the following comments on the actions:

3. Purpose of the Meeting

- 3.1 The secretariat advised that the purpose of the meeting is to review the consultation responses.

4. Working Group review of DCP 284 Consultation responses

- 4.1 The Working Group reviewed and commented on the DCP 284 consultation responses, the collated consultation responses document capturing these comments acts as Attachment 1.
- 4.2 The following actions were captured during the review of the consultation responses:

ACTION 04/02: Andy Pace to produce a mapping diagram between allowed revenue and the CDCM model.

ACTION 04/03: Andy Pace to provide argument as to why correction factors should be included within development of CP.

ACTION 04/04: The Chair is to review original Ofgem documents around the time of the CDCMs inception to provide clarity on the intent of what the CDCM is built to achieve.

- 4.3 The Working Group considered the differences seen between DNOs allowed revenue, their actual capital expenditure and what comes out of the hypothetical 500MW Model.
- 4.4 The Ofgem representative suggested that a diagrammatical chart be produced to show the two opposing arguments and a depiction of the correlation between allowed revenue and CDCM model.
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The Chair proposed that one argument can be described as the CDCM is recovering costs to achieve allowed revenue and the other argument is that the CDCM scales the cost reflective tariffs up to DNOs allowed revenues.

- 4.5 It is noted that further time is needed by the Working Group to finalise their comments on the responses to the DCP 284 Consultation. It was agreed by members of the Working Group to convene on 27 March 2017 to continue reviewing the responses to the DCP 284 consultation.

5. Work Plan

- 5.1 The DCP 284 Working Group agreed that the Secretariat should amend the Work Plan and circulate prior to the next meeting. The updated Work Plan is set out in Attachment 2.

ACTION 04/05: ElectraLink to update DCP 284 Work Plan and circulate with the minutes of this meeting.

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;
- Continuation of the Working Group review of consultation responses

7. Any Other Business

- 7.1 There were no items of any other business discussed.

8. Date of Next Meeting: 27 March 2017

- 8.1 The Working Group agreed for the next meeting to be a face to face meeting held on 27 March 2017 for the purpose of continuing to review the DCP 284 consultation responses.

Attachments

Attachment 1 – DCP 284 Collated Consultation Responses Working Group Commented

Attachment 2 – DCP 284 Work Plan

Appendix 1: New and open actions

Action Ref.	Action	Owner	Update
04/01	Remove the word 'if' from the below text added to the minutes from meeting 02: 'If should the change report result in decreased credits the proposer would consider withdrawing the CP'	ElectraLink	
04/02	Produce a mapping diagram between allowed revenue and the CDCM model.	Andy Pace	
04/03	Provide argument as to why correction factors should be included within development of CP.	Andy Pace	
04/04	Review original Ofgem documents around the time of the CDCMs inception to provide clarity on the intent of what the CDCM is built to achieve.	The Chair	
04/05	Update DCP 284 Work Plan and circulate with the minutes of this meeting	ElectraLink	

Closed actions

Action Ref.	Action	Owner	Update
01/02	Request DNOs to respond with their views on the findings from an Ofgem investigation in November 2009 prior to the CDCM methodology incorporation in to DCUSA endorsing a specific approach to scaling in the consultation.	ElectraLink	10/03/2017 - Completed
01/03	Change [x] value in draft legal text to the value decided by Working Group after completed investigation in Action 01/01.	ElectraLink	10/03/2017 - Completed

02/05	Review the tables provided by Andy Pace that have been included in the Consultation Document. Confirm the information within the tables is accurate and if so if confirm if comfortable with the tables remaining in the Consultation Document. To be completed by 11 January 2017.	DNO members within the Working Group	10/03/2017 - Completed
02/06	Review the text from the Ofgem Consultation in September 2009 and the subsequent decision in November 2009 that has been included in the Consultation document. Respond with views on the text by 11 January 2017	Working Group Members	10/03/2017 - Completed
03/01	Include the below text into the minutes from the last meeting: 'If should the change report result in decreased credits the proposer would consider withdrawing the CP'	ElectraLink	10/03/2017 - Completed
03/02	Request for the DNOs who have yet to review the tables included in the Consultation Document to review and respond. All responses should be sent directly to the Secretariat. RE: Action 02/05	ElectraLink	10/03/2017 - Completed
03/03	Provide paragraph for inclusion in the consultation document giving the three options for scaling under the 'alternative' point of view. ElectraLink to include the text provided in between the questions set out below paragraph 5.6 of the consultation document.	Andrew Enzor + ElectraLink	10/03/2017 - Completed
03/04	Re-number the remaining tables in the consultation document due to some tables being deleted during the review conducted by the Working Group.	ElectraLink	10/03/2017 - Completed
03/05	Create merged row above the columns labelled 'Operating costs' and 'Transmission Exit' charge which is to be titles 'Non-capital'. In the same new row, a title is to be added above the column labelled 'Asset Costs' which will be labelled 'Capital'.	ElectraLink	10/03/2017 - Completed

03/06	Construct a paragraph for inclusion into the consultation document relating to replacement. This text is to be included under the heading 'Scaling Components' with the Scaling Overview section of the document. ElectraLink to include the text provided as described above.	Andy Pace + ElectraLink	10/03/2017 - Completed
03/07	Review Ofgem document and confirm main reason for rejection.	Working Group	10/03/2017 - Completed
03/08	Provide some text on the rationale associated to indirect costs in paragraph 5.16 of the draft consultation. Working Group to add question related to this information.	Andy Pace	10/03/2017 - Completed
03/09	Provide new graph updating DNO label from SSEPD to SSEN name. The graph heading will also need to be updated.	Andy Pace	10/03/2017 - Completed
03/10	Move the questions under paragraph 5.20 to the relevant sections throughout the consultation document.	ElectraLink	10/03/2017 - Completed
03/11	Complete a general tidy up of the consultation document including the following: checking the references to table numbers and paragraphs align to the correct items ensure section 10 contains the correct questions from throughout the document.	ElectraLink	10/03/2017 - Completed
03/12	Update DCP 284 Work Plan and circulate prior to next meeting.	ElectraLink	10/03/2017 - Completed
03/13	Send out a doodle poll to Working Group members for the following dates. <ul style="list-style-type: none"> • Friday, 10 March 2017 at 10:00 • Monday, 13 March 2017 at 10:00 • Thursday, 16 March 2017 at 10:00 	ElectraLink	10/03/2017 - Completed