

DCP 273 Working Group Minutes

Meeting Name	DCP 273 Working Group
Meeting Number	02
Date	01 September 2016
Time	10:00
Venue	Teleconference

Attendee	Company
John Lawton [JL] (Chair)	ElectraLink
Chris Barker [CB]	Electricity North West Ltd
Gill Courtneil [GC]	UK Power Networks
Julia Haughey [JH]	EDF Energy
Lee Wells [LW]	Northern Powergrid
Lynda Carroll [LC]	Ofgem
Pamela Howe [PH]	Northern Powergrid
Wilma Leighton [WL]	SSE Power Distribution
Fungai Madzivadondo [FM] (Secretariat)	ElectraLink

1 ADMINISTRATION

- 1.1 No apologies were received.
- 1.2 The minutes of the previous meeting were approved without amendment.
- 1.3 The Working Group reviewed and updated the actions list which acts as Appendix A.

2 COMPETITION LAWS DO'S AND DON'TS

- 2.1 The Working Group agreed to be bound by the Competition Laws Do's and Don'ts for the duration of the meeting.

3 REVIEW OF THE DCP 273 MODEL

- 3.1 JL noted that the updated DCP 273 model was received from the DCUSA modelling consultant (Reckon) and circulated to DNO Parties for testing. Five out of the six DNOs tested the model and confirmed that they were comfortable with the models functionality, the model produced the same results as the current CDCM model. It was highlighted that Scottish Power had not yet confirmed whether they are happy with the updated DCP 273 model. ElectraLink took an action to request for Scottish Power's feedback on the DCP 273 model.

ACTION 02/01: ELECTRALINK

- 3.2 It was noted that prior to the meeting some of the Working Group members provided feedback highlighting that minor changes should be made to the title descriptions in table 1001 for clarity. LW had circulated a copy of table 1001 with proposed changes prior to the meeting. The group noted that although the title descriptions do not affect the functionality of the CDCM, the model descriptions should be aligned to the ED1 licence.
- 3.3 The group agreed to make the following changes to table 1001 of the CDCM:

- Amend table description to '1001. CDCM target revenue to 1001. CDCM target revenue (£ unless otherwise stated)' to ensure inputs are entered as pounds rather than pounds million.
- Amend index description to 'Price index adjustment (RPI index)' to ensure input entered as the RPI index (which as per the RIGs is to 3dp)
- Amend LCN1 description to be 'Low Carbon Network Fund - Tier 1 unrecoverable'
- Amend the LCN2 description to be 'Low Carbon Network Fund - Tier 2 & Discretionary Funding'
- Amend the DPCR4 losses item description to be 'Residual Losses and Growth Incentive – Losses' to reference the actual incentive name and losses element within
- Amend the DPCR4 growth item description to be 'Residual Losses and Growth Incentive – Growth' to reference the actual incentive name and growth element within
- Remove IFI/NIA and only reference NIA

3.4 The Working Group agreed to request for an updated CDCM model to amend the title descriptions in table 1001 of the CDCM. LW took an action to update table 1001 as agreed during the meeting and circulate to the Working Group for review by the end of the day (1 September 2016).

ACTION 02/02: LW/WORKING GROUP

3.5 It was agreed that once approved, a modelling request should be made to the DCUSA Modelling Contract manager (Julia Haughey) for approval and then submitted to the DCUSA Modelling Consultant (Reckon). ElectraLink took an action to request for an updated CDCM model.

ACTION 02/03: ELECTRALINK

3.6 [Post Meeting Note](#) – LW updated the proposed changes to table 1001 and circulated to the Working Group for review. After the Working Group's approval, Julia Haughey received and approved a request to update the model and the modelling request was submitted to the DCUSA Modelling Consultant.

3.7 [The DCUSA Modelling Consultant has confirmed that the updated model will be provided by 9 September 2016.](#)

4 REVIEW OF THE DCP 273 LEGAL TEXT

4.1 The Working Group reviewed the DCP 273 Legal Text and agreed with the changes made by the DCUSA Legal advisor. It was noted that the legal text will amend paragraphs 3 of Schedule 16 and paragraphs 1.1 of Schedule 20 of the DCUSA which both relate to version numbers of the CDCM model and the Annual Review Pack.

5 REVIEW OF THE DCP 273 CHANGE REPORT

5.1 It was noted that the draft DCP 273 Change Report was circulated prior to meeting. The Working Group reviewed the Change Report and agreed to make the following amendments:

- Clarify that table 1001 needs to be updated to ensure revenue allowances within the CDCM are aligned to the RIIO-ED1 Distribution Licence.

- Add text to clarify that DNOs tested the model to ensure the tariffs are the same as the current CDCM model and also state that after DNO testing all tariffs were the same as the previous CDCM model.
- With regard to the Change Proposal's (CP) assessment against the DCUSA Objectives. The Working Group reviewed the Objectives and agreed that although the proposer had suggested that the CP is better facilitated by both General and Charging Objectives, DCP 273 should only be assessed against Charging Objectives as it is a charging CP. The group agreed that Charging Objective One¹ is better facilitated by DCP 273.
- Add text to the Consumer Impacts section to clarify that the Working Group did not identify any material impact on consumers from the implementation of this CP by confirming that the changes to the CDCM model do not affect tariff prices.
- The group also agreed to make minor typographical and formatting changes to the Change Report.

5.2 ElectraLink took an action to update the Change Report and circulate to the Working Group for review.

ACTION 02/04: ELECTRALINK/ALL

6 NEXT STEPS

6.1 The DCP 273 Working Group reviewed the CP Work Plan and agreed the next steps as follows:

- Lee Wells to update the proposed title description changes to table 1001 of the CDCM and circulate to the Working Group for review by 1 September, midday.
- The Working Group to review the updated DCP 273 model by end of 1 September 2016.
- ElectraLink to request for approval for a modelling update from the DCUSA Modelling Contract manager (Julia Haughey) and submit the proposed changes to Reckon for update by 2 September 2016.
- Once delivered, Lee Wells is to test the updated model to ensure that it meets the intent of the DCP 273 change and share findings with the Working Group.

ACTION 02/05: LW

- ElectraLink to update the Change Report and circulate to the Working Group for Review.
- After review the updated model should be added to the DCP 273 Change Report and submitted to the September DCUSA Panel.

6.2 The updated DCP 273 Work Plan has been provided as Attachment 1 to the minutes.

7 ANY OTHER BUSINESS

7.1 There were no items of any other business.

8 NEXT MEETING

8.1 No further DCP 273 Working Group meeting has been scheduled

¹ Charging Objective One - That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence

9 ATTACHMENTS

- Attachment 1 – DCP 273 Work plan

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

Action Ref.	Action	Owner	Update
02/01	Request for Scottish Power's feedback on the DCP 273 model	ElectraLink	
02/02	Update table 1001 as agreed during the meeting and circulate to the Working Group for review by the end of the day (1 September 2016).	Lee Wells/Working Group	Completed as per post meeting note 3.6 above.
02/03	Request for approval for a modelling update from the DCUSA Modelling Contract manager (Julia Haughey) and submit the proposed changes to Reckon for update by 2 September 2016.	ElectraLink	Completed as per post meeting note 3.6 above.
02/04	Update the Change Report and circulate to the Working Group for review. Submit the DCP 273 Change Report to the September Panel	ElectraLink/Working Group	
02/05	Test updated model and share findings with Working Group.	Lee Wells	

CLOSED ACTIONS – AGREED AT MEETING

Action Ref.	Action	Owner	Update
01/01	Draft the modelling specification request and circulate to the Working Group for review.	Lee Wells/All	Completed

01/02	Submit modelling request to the DCUSA Panel for approval. On receipt of approval issue the DCP 273 modelling support request to the DCUSA modelling consultant	ElectraLink	Completed
01/03	Confirm whether all DNOs will be available to test the updated model once delivered.	Lee Wells	Completed
01/04	Schedule the next DCP 273 Working Group meeting	ElectraLink	Completed