

DCP 268 Working Group Minutes

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| Meeting Name | DCP 268 Working Group |
| Meeting Number | 06 |
| Date | 28 September 2016 |
| Time | 10:00am |
| Venue | Ground Floor, 2-3 Golden Square, London, W1F 9HR. |

| Attendee | Company |
|--------------------------------------|----------------------------|
| John Lawton [JL] (Chair) | ElectraLink |
| Andrew Enzor [AE] | Northern Powergrid |
| Chris Barker [CB] (teleconference) | ENWL |
| Chris Ong [CO] (teleconference) | UK Power Networks |
| Daniel Hickman [DH] (teleconference) | npower |
| Elizabeth Allkins [EA] | Ovo Energy |
| George Moran [GM] | British Gas |
| Helen Fosberry [HF] | E.ON |
| Julia Haughey [JH] (teleconference) | EDF Energy |
| Keith Burwell [KB] (teleconference) | Ofgem |
| Kevin Spencer [KS] | Elaxon |
| Lee Wells [LW] | Northern Powergrid |
| Maria Hesketh [MH] (teleconference) | Scottish Power |
| Neil Brinkley [NB] (teleconference) | Brookfield Utilities |
| Steven Grant [SG] (teleconference) | Scottish Power Networks |
| Tom Chevalier [TC] | Power Data Associates |
| Tracey Pitcher [TP] (teleconference) | Western Power Distribution |
| Vicki Holland [VH] | St. Clements |
| Claire Hynes [CH] (Secretariat) | ElectraLink |

| Apologies | Company |
|----------------|----------------------------|
| Dave Wornell | Western Power Distribution |
| Emma Clark | SSE Power Distribution |
| Lynda Carroll | Ofgem |
| Pamela Howe | Northern Powergrid |
| Pat Wormald | Northern Powergrid |
| Paul Grady | Scottish Power Networks |
| Stephen Harris | Ovo Energy |
| Scott Barney | Ovo Energy |
| Simon Yeo | Western Power Distribution |

1 ADMINISTRATION

- 1.1 The minutes of the previous meeting were agreed without amendment. The actions log is included as Appendix A.

- 1.2 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 REVIEW OF THE DCP 268 REQUEST FOR INFORMATION RESPONSES

- 2.1 The Working Group reviewed and commented on the DCP 268 Request for Information (RFI) responses which acts as Attachment 1.
- 2.2 The Working Group reviewed the responses to question 1 and some Parties clarified their position in relation to their preferred solution at the meeting. The following table summarises respondents preferences for each solution proposed in the RFI.

| Options | 1A | 1B | 1C | 1D | Non-Centralised Approach | No preference |
|----------|----|----|----|----|--------------------------|---------------|
| DNO | 0 | 0 | 0 | 1 | 4 | 1 |
| Supplier | 0 | 0 | 1 | 2 | 3 | 0 |
| IDNO | 0 | 0 | 0 | 1 | 0 | 0 |
| Total | 0 | 0 | 1 | 4 | 7 | 1 |

- 2.3 The Working Group clarified that this CP will not change the structure of the D0030 ‘Aggregated DUoS Report’ dataflow but add some pseudo data to the dataflow.
- 2.4 The Working Group agreed to clarify the following responses to the RFI with the respondent.
- A confidential response to question 2;
 - The rationale behind First Utility’s preferred option of the centralised approach. It is noted that there is pseudo data in their preferred option 1C.
 - To check with SSE Energy whether their concerns set out in their response to question 2 Option 1B which stated *“This option appears to be a more balanced solution, however, there are concerns that have not been addressed yet with regards to the SVAA allocating volume to tariffs”* was related to mapping concerns.
 - To check with SSE Energy Supply on their response to question 2 on Option 1c which other Option they were referencing in this statement *“This option does not differ enough from option 1c and aggregating to PC is not required to distinguish between customer groups, this will already be done by tariff and measurement quantity”*.

ACTION 06/01:ELECTRALINK

- 2.5 The Chair checked the intent of the change to see whether the Working Group could consider the de-linking of measurement class F and G data within the scope of this change. It was determined that the intent which is *“to facilitate a transition to half-hourly (HH) settlement for non-half hourly (NHH) customers by moving to a time band charging basis, based on the HH (profiled) data used in settlement”* did not allow for this consideration.
- 2.6 KS advised that as the objectives for changes to the BSC¹ are mostly around supply and generation and not around the efficiency of the Distribution network, it would be hard to

¹ BSC – Balancing and Settlement Code

provide a rationale for changing the BSC without an obligation for that change in the DCUSA legal text. The justification for a BSC change would be for the change to facilitate distribution billing. The Working Group considered that the implementation of a centralised approach would take approximately 2 years to deliver if this CP recommended a centralised approach and was approved in the first quarter of 2017.

- 2.7 The Working Group discussed the Distributors response to question 4 *“What approaches will you be taking to the LLFC²s for each of these options? Please refer to paragraph 4.4 of this RFI”*. The Working Group noted that the treatment of the LLFC for Options 1A - 1C varied across the country with some respondents creating new LLFCs. Members noted that under Option 1D and the non-centralised approach there would be not requirement to create new LLFCs.
- 2.8 The Working Group requested that the secretariat provide a summary table of the responses to question 5 of the RFI.

ACTION 06/02:ELECTRALINK

- 2.9 The Working Group voted on whether to adopt a centralised or distributed approach for this change. The Working Groups vote resulted in 8 members voting for the non-centralised approach and 4 members voting for the centralised approach with three of those four members voting for Option 1D.
- 2.10 The Working Group agreed to provide a cost impact on the Option 1d and the non-centralised approach. Consultation two will list the positive and negatives of both options and the rationale behind the Working Group choosing to progress the non-centralised approach and the centralised option 1D with the transitional arrangement of option iv.

ACTION 06/03:ELECTRALINK

- 2.11 Under the non-centralised approach, there will be a change to the CDCM model and ARP to show what the de-linked tariff will look like. The Working Group considered the question that if the centralised option is submitted as an alternate option for this change, would there need to be a change to the legal text.
- 2.12 The Chair asked the Working Group whether the DCP 268 model provided by the modelling consultant showed the expected impact. The key points from this discussion are set out below:
- Under the current CDCM an adjustment is made to the RAG³ timebands for the aggregated tariffs so they are on average equal to a domestic bill. By removing the NHH domestic customer, you remove this adjustment. As a result, the Working Group considered that the removing of this adjustment may lead to greater fluctuation in the transition from NHH to HH arrangements but the changes in the DCP 268 CDCM model received are minimal.
 - The Working Group considered that greater variance in tariffs will be produced by the recently approved DCP 228 *‘Revenue Matching in the CDCM’*. It was highlighted that

² LLFC – Line Loss Factor Class

³ RAG – Red Amber Green

Parties have been invited to vote on the implementation date for DCP 228 and voting closes on the 05 October 2016.

- The Working Group did not consider the impact analysis which demonstrated the changes to the model against different types of profiled users to be useful.

- 2.13 AR and LW agreed to provide a template for DNOs to populate to determine the impact of DCP 268. This template will be updated for each Distribution area against 2017/18 tariffs in October 2016 and again in January 2017 against the 2018/19 tariffs.

ACTION 06/04: AR & LW

- 2.14 CO agreed to review the DCP 268 draft legal text provided by the DCUSA modelling consultant.

ACTION 06/05: CO

- 2.15 The Working Group requested that the secretariat provide a first draft of consultation two on the legal text and DCP 268 model for their consideration by the 07 October 2016. This consultation will contain a summary of the responses on Parties preferred options and the rationale for taking forward the non-centralised Option and Option 1d with transitional option iv.

ACTION 06/06: ELECTRALINK

- 2.16 The Working Group placed an action on Distributors to test the DCP 268 Annual Review Pack (ARP).

ACTION 06/07: DISTRIBUTERS

- 2.17 The updated Work Plan is provided as Attachment 2.

3 NEXT STEPS

- 3.1 The DCP 268 Working Group agreed the next steps as follows:

- Draft consultation two and circulate for Working Group review on the 07 October 2016;
- CO to review the DCP 268 draft legal text provided by the DCUSA modelling consultant;
- AR and LW agreed to provide a template for DNOs to populate to determine the impact of DCP 268. This template will be updated in October 2016 against 2017/18 tariffs and again in January 2017 againsts the 2018/19 tariffs.
- Issue consultation two to Parties for a period of three weeks in late October;
- The Working Group to meet in November 2016 to consider the consultation two responses;
- Submit a request for an updated CDCM model and ARP containing the DCP 268 solution against the 2018/19 tariffs in December 2016 to the modelling consultant;
- Working Group to review and test the updated CDCM model and Annual Review Pack in January 2017;
- Working Group to review the draft Change Report in January 2017; and
- Submit the Change Report to the February 2017 DCUSA Panel.

ACTION 06/08: ALL

4 ANY OTHER BUSINESS

4.1 There were no items of any other business.

5 NEXT MEETING

5.1 The next meeting will be scheduled to consider the consultation two responses.

6 ATTACHMENTS

- Attachment 1 – DCP 268 Request for Information – Red-Lined
- Attachment 2 – DCP 268 Work Plan Updated

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

| Action Ref. | Action | Owner | Update |
|-------------|--|----------------------------|-----------------------------------|
| 03/06 | <ul style="list-style-type: none"> To draft a consultation on the DCP 268 draft legal text and the updated CDCM model for issue to industry parties for a period of three weeks To draft the DCP 268 change report in parallel with the work listed above for submission to the DCUSA Panel. | All | <p>On-going.</p> <p>On-going.</p> |
| 06/01 | Clarify with one confidential respondent and two Suppliers their response to question 2 of the the RFI. | ElectraLink | |
| 06/02 | Provide a summary table of the responses to question 5 of the RFI. | | |
| 06/03 | Summarise the cost impact to preferred Options 1d and the non-centralised approach to determine the cost of the options and provide this summary table to Parties in the next consultation. | ElectraLink | |
| 06/04 | AR and LW agreed to provide a template for DNOs to populate to determine the impact of DCP 268. This template will be updated in October 2016 against 2017/18 tariffs and again in January 2017 againsts the 2018/19 tariffs. | Andrew Enzor and Lee Wells | |

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| 06/05 | Review the DCP 268 draft legal text provided by the DCUSA modelling consultant | Chris Ong | |
| 06/06 | Draft DCP 268 consultation two on the legal text and DCP 268 model and submit to the Working Group for their review on the 07 October 2016. | ElectraLink | |
| 06/07 | Distributors to test the DCP 268 Annual Review Pack (ARP). | Distributors | |
| 06/08 | <ul style="list-style-type: none"> • Draft consultation two and circulate for Working Group review on the 07 October 2016; • CO to review the DCP 268 draft legal text provided by the DCUSA modelling consultant; • AR and LW agreed to provide a template for DNOs to populate to determine the impact of DCP 268. This template will be updated in October 2016 against 2017/18 tariffs and again in January 2017 against the 2018/19 tariffs. • Issue consultation two to Parties for a period of three weeks in late October; • The Working Group to meet in November 2016 to consider the consultation responses; • Submit a request for an updated CDCM model and ARP containing the DCP 268 solution against the 2018/19 tariffs in December 2016 to the modelling consultant; | All | |

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| | <ul style="list-style-type: none"> • Working Group to review and test the updated CDCM model and Annual Review Pack in January 2017; • Working Group to review the draft Change Report in January 2017; and • Submit the Change Report to the February 2017 DCUSA Panel. | | |
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CLOSED ACTIONS

| Action Ref. | Action | Owner | Update |
|-------------|--|-------|--|
| 03/02 | Develop an impact assessment to allow Parties to determine whether it is more beneficial for Elexon to provide the pseudo split of consumption data or for Parties to undertake the relevant work on their billing systems | All | Completed. |
| 04/04 | <ul style="list-style-type: none"> • Circulate the updated RFI to the Working Group for review for a period of one week; • Submit the RFI to industry parties from the 09 to the 30 August 2016; • Meet on the 16 August to consider the DCP 268 model; • Meet on the 14 September to consider the responses to the DCP 268 RFI. | All | <p>Completed.</p> <p>Dates amended. Completed.</p> <p>Date amended to the 28 September 2016. Completed.</p> <p>Date amended to the 28 September 2016. Completed.</p> |

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| 05/01 | Populate each option table to show the number of line items that the Party would expect to receive on the D0030 dataflow | Andrew Enzor | Completed – 18 August 2016 |
| 05/02 | The RFI should identify the settlement run options for the Centralised approach options 1a – 1d and pose a question on the Parties preferred settlement run option as part of the centralised information impact assessment. | Kevin Spencer | Completed – 18 August 2016 |
| 05/03 | <ul style="list-style-type: none"> • Update all instances of DNO in the report to Distributors so that it is inclusive of IDNOs who will also be impacted by this change; • Update the formatting of the Request for Information (RFI) to highlight the relevant Options; • Change instances of option to approach; • Re-label attachment 2 with the option names set out in the RFI; • Check whether references to system changes is applicable to all options or is required to be added to the relevant options pro's and con's list in the RFI; • Reference the relevant RFI paragraph where the Working Group discuss the impact of LLFCs in question 4; | ElectraLink | Completed – 22 August 2016 |

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| | <ul style="list-style-type: none">• Check the first reference of the D0030 and D0242 dataflows in the consultation and ensure that both are referenced; and• Check cross-references. | | |
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