

## DCP 266 Working Group Meeting 08

25 September 2017 at 10:00am

Skype Meeting

Attendee	Company
<b>Working Group Members</b>	
Dave Wornell [DW]	Western Power Distribution
George Moran [GM]	British Gas
Chris Ong [CO]	UK Power Networks
Andrew Enzor [AE]	Northern Powergrid
Robert Fairbairn [RF]	Northern Powergrid
Tim Aldridge [TA]	Ofgem
Mike Harding [MH]	BU-UK Infrastructure
Frank Welsh [FW]	UK Power Distribution
Chris Barker [CB]	ENWL
<b>Code Administrator</b>	
John Lawton [JL] (Chair)	ElectraLink
Dylan Townsend [DT]	ElectraLink

Apologies	Company
Simon Yeo	Western Power Distribution
Matt Johnson	ESP
Pat Wormald (now retired)	Northern Powergrid

### 1. Administration

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

- 1.3 The Working Group reviewed the Minutes from the last meeting and agreed the Minutes were an accurate reflection of the discussions held.
- 1.4 The working group noted the items on the actions list from the last meeting. Updates on all actions are provided in Appendix A.

## 2. Review of the Impact Assessment

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- 2.1 The Working Group reviewed the Impact Assessment documentation that had been circulated prior to the meeting.
- 2.2 The Chair requested confirmation from the DNO Working Group members that they had tested the models and sense checked the results of the impact assessment. DNO Working Group members noted that they are comfortable with the models but questioned what level of granularity should be included in the consultation document.
- 2.3 The Chair noted that the group had requested three amendments to the modelling, two of which had been included in the impact assessment, however the third amendment, being the fix for the '0 volumes' issue, needed input by DNO Working Group members. The Chair asked if DNO members had populated the single customer volumes to test the new modelling. It was noted that those who had populated the model with single customer volumes were comfortable with the results and the remaining DNO members took an action to populate.

**Action 08/01: Chris Ong and Chris Barker to populate table 1053 with single customer volumes to test modelling and impacts.**

- 2.4 The Proposer noted that there were no discounts over 100 percent or under 0 percent which suggests that the fixes that the Working Group requested appear to have been implemented correctly. The Chair requested for DNO Working Group members to confirm that they are comfortable with the results after populating single customer volumes where no customers currently exist in table 1053.

**Action 08/02: WG DNO members to confirm if they are happy with the results from adding single customer volume data for 0 volumes currently in table 1053.**

- 2.5 One Working Group members questioned if it is confirmed that the charges that come out of the tariffs are the same as prior to DCP 266. The group had a discussion around the intent of the change not impacting end user tariffs and one member noted that they may have an issue with this but will cover off in consultation response.

## 3. Review of DCP 266 Legal Text

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- 3.1 The Working Group reviewed and amended the draft legal text for DCP 266. No amendments were made during the meeting.

## 4. Review of DCP 266 Draft Consultation

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4.1 The Working Group reviewed the DCP 266 draft consultation document which had been circulated prior to the meeting. The updated version of the draft consultation document which captures the discussion and amendments agreed by the Working Group acts as Attachment 1 to the minutes.

4.2 The following actions were captured during the review of the draft consultation document:

**Action 08/03: ElectraLink to update the consultation document with the following:**

- Update the 'Any Questions' section to the correct proposer
- Amend the Timetable to reflect the Work Plan
- Footnote the Ofgem Consultation document reference on page 5 with link
- Add in note from CP form at the start of paragraph 4.5
- Amend the term IDNO to LDNO throughout the document
- Move the intent/scope section (currently in section 4) to section 3
- Amend the paragraphs relating to the SCR and CDCM/EDCM review to align to the text in DCP 306 consultation and include question
- Remove table in the impacts section and replace with table highlighting the DNO Revenue Change for the Domestic Unrestricted tariff by DNO licence area and include table with IDNO discount percentage change across DNO licence area
- Update table of questions and cross check questions throughout document

4.3 The Working Group discussed the various aspects to the intent of the change which are noted as a change to the allowed revenue values (years) and moving from percentage discount to a p/kwh discount.

4.4 It was noted that the impact on LDNOs will differ, depending on customer mix and DNO area and that year on year could see further change.

4.5 It was agreed that two types of impacts need to be highlighted, these are as follows:

- IDNO Discounts by DNO areas showing maximum, minimum and an average
- Change in DNO Revenue across DNO areas

4.6 The Working Group agreed that it would be beneficial to have the full suite of populated models (for all DNOs) from the Modelling Consultant so they can sense check the blank models and impact assessment.

**Action 08/04: ElectraLink to Request copy of full suite of populated models (for all DNOs) from Reckon and then circulate to the DNO Working Group members.**

## 5. Review of Work Plan

5.1 The Working Group reviewed the Work Plan and agreed that the following next steps should be taken:

5.2 An amended version of the work plan can be found as Attachment 2.

**Action 07/07: ElectraLink agreed to update the Work Plan according to the discussion held and then circulate to the Working Group.**

## 6. Any Other Business

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

## 7. Date of Next Meeting – 12 October 2017

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7.1 The Working Group agreed for the next meeting to be conducted via web-conference on 12 October 2017.

## 8. List of Attachments

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- Attachment 1 – DCP 266 Draft Consultation
- Attachment 2 – DCP 266 Work Plan

## Appendix A – Actions

### New and open actions

Action Ref.	Action	Owner	Update
08/01	Populate table 1053 with single customer volumes to test modelling and impacts.	Chris Ong and Chris Barker	
08/02	Confirm if they are happy with the results from adding single customer volume data for 0 volumes currently in table 1053.	WG DNO members	
08/03	<p>Update the consultation document with the following:</p> <ul style="list-style-type: none"> <li>• Update the 'Any Questions' section to the correct proposer</li> <li>• Amend the Timetable to reflect the Work Plan</li> <li>• Footnote the Ofgem Consultation document reference on page 5 with link</li> <li>• Add in note from CP form at the start of paragraph 4.5</li> <li>• Amend the term IDNO to LDNO throughout the document</li> <li>• Move the intent/scope section (currently in section 4) to section 3</li> <li>• Amend the paragraphs relating to the SCR and CDCM/EDCM review to align to the text in DCP 306 consultation and include question</li> <li>• Remove table in the impacts section and replace with table highlighting the DNO Revenue Change for the Domestic Unrestricted tariff by DNO licence area and include table with IDNO discount percentage change across DNO licence area</li> <li>• Update table of questions and cross check questions throughout document</li> </ul>	ElectraLink	

08/04	Request copy of full suite of populated models (for all DNOs) from Reckon and then circulate to the DNO Working Group members.	ElectraLink	
08/05	Update the Work Plan according to the discussion held and then circulate to the Working Group.	ElectraLink	

## Closed actions

Action Ref.	Action	Owner	Update
01/03	<p>Points for consideration during the consultation</p> <ul style="list-style-type: none"> <li>Clarify why the new proposed calculation method is better and demonstrate that the CP meets the DCUSA objectives.</li> <li>Impact Analysis to be carried out as part of the CP development process.</li> <li>Consider issues with the existing PCDM, calculation method within the model</li> </ul> <p>Clarify that the CP does not intend to change what the IDNOs charge to their customers, there is no intent to change the end user tariff.</p>	All	Completed
03/01	Update the consultation with a high-level explanation of the PCDM costs calculations. Setting out at a high level why not using is it feasible to used allowed revenue for the upcoming charging year. From 07/08 charging year.	George Moran	Completed
06/04	Include question within consultation asking parties for their views on how incentives should be treated and if that they view suggests a change to the current approach then rationale is to be provided.	ElectraLink	Completed
06/07	Review paragraph 45 of the legal text to confirm whether further amendments are required to this paragraph	George Moran	Completed
06/08	Send updated legal text to the modelling support consultant and ask them to confirm if their model aligns to the legal text	ElectraLink	Completed

06/09	Ask the modelling support consultant if the Working Group could have an input sheet that is a cut and paste from the CDCM and one that is from the current method M. For practically of populating	ElectraLink	Completed
07/01	Provide information on negative discounts and LDNO EHV generation approach and 0 volumes issues to the Working Group.	ElectraLink	Completed
07/02	Obtain the suite of models that the modelling consultant used to produce the impact assessment. The Working Group to them review the impact assessment alongside these.	ElectraLink	Completed
07/03	Forward the original request for modelling to the Working Group so it can be confirmed what was requested at the time	ElectraLink	Completed
07/04	Produce a summary to showcase what the group have done in regard to the assumptions for the modelling request.	Robert Fairbairn	Completed
07/05	Add a comment to the consultation to explain the potential impact of the approval of DCP 268 on paragraph 46A of the legal text for DCP 266.	ElectraLink	Completed
07/06	Update the consultation document with the following: <ul style="list-style-type: none"> <li>• Impact assessment outcomes, including the set of questions</li> <li>• The full Impact Assessment and Models should be included as an Attachment</li> <li>• The potential housekeeping change will need to be highlighted</li> <li>• The potential consequential impacts that relate to DCP 252 and 268</li> <li>• The proposed legal text section should be updated to reflect the amended legal text</li> </ul>	ElectraLink	Completed
07/07	Update the Work Plan according to the discussion held and then circulate to the Working Group.	ElectraLink	Completed