

DCP 266 Working Group Meeting 20

24 January 2019 at 10:00am

Skype Meeting / Teleconference

Attendee	Company
Working Group Members	
Andrew Enzor [AE]	Northern Powergrid
Chris Barker [CB]	ENWL
Chris Ong [CO]	UKPN
Matt Johnson [MJ]	ESP Electricity
George Moran [GM]	British Gas
David Begley [DB]	Energetics
Dave Wornell [DW]	WPD
Code Administrator	
John Lawton [JL] (Chair)	ElectraLink
Dylan Townsend [DT] (Technical Secretariat)	ElectraLink

Apologies	Company
Mike Harding [MH]	BU-UK Infrastructure

1. Administration

- 1.1 The Secretariat noted the welcome and apologies for this meeting.
- 1.2 The Working Group reviewed the “Competition Law Guidance”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.3 The Working Group reviewed the minutes from the last meeting and agreed that 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. Discussion on completed modelling and impact assessment

- 2.1 The Working Group reviewed the completed modelling and impact assessment documentation, with the Chair questioning whether the group was comfortable with them. One member noted that they had tested the results and were happy that they were accurate however the member also noted that they are less comfortable with the impact assessment. It was noted that this is because the modellers have not completed the iterations needed to resolve the circularities for the impact assessment.
- 2.2 As no other members had been able to test the results, it was suggested that the Secretariat request for the modelling consultants to provide the populated models that were used for the impact assessment. The Secretariat took an action to initiate that request and once received to provide the populated models to the individual DNOs for them to be able to assess the results against their expectations.

ACTION: 20/01 – ElectraLink to request for the modelling consultants to provide the populated models that were used for the impact assessment and once received to provide the populated models to the individual DNOs for them to be able to assess the results against their expectations.

3. Review of draft legal text and discussion regarding Action 19/01

- 3.1 During the previous Working Group meeting, members questioned what the calculations set out under paragraph 46 of the draft legal text are actually doing. The Working Group took an action to review these calculations, specifically whether the 'S' and 'U' are needed as part of the following " $P / (S + U)$ ". The Working Group noted that this area was not something highlighted by the modelling consultant and as such would undertake the action in isolation to the modelling request.
- 3.2 The Working Group didn't discuss this item during their meeting, however it remains an action on the log and so will be covered off in due course.

4. Review of the draft second consultation document

- 4.1 The Working Group reviewed and updated the draft consultation document during the meeting and the document capturing these amendments acts as Attachment 1 to the minutes. During the Working Groups review of the draft consultation document, a number of discussions were had, and actions were recorded.
- 4.2 The group reviewed an outstanding area related to an action to test sensitivity of IDNO tariffs as a result of the changes made by DCP 266, specifically the significance of DNO's volume forecasts for their ATW tariffs on IDNO tariffs. A number of suggestions were made during the discussion and the Working Group agreed to request CEPA/TNEI to provide an impact assessment using volume forecasts for 2019/20 with zero values removed; and units distributed split by LV, HV and EHV for 2019/20, with 2019/20 based on 2018/19 uplifted by the difference between the demand forecast in the 2018/19 and 2019/20 CDCMs. It was noted that this approach is being taken as a proxy for getting the actual data from DNOs due the workload faced by many of the group who are participating in other ongoing industry work.

- 4.3 AE took an action to provide the updated input data spreadsheets and the Secretariat took an action to communicate with the modelling consultants to confirm the necessary requests and then subsequently make the requests.

ACTION: 20/02 – AE to provide to the Secretariat updated input data spreadsheets using volume forecasts for 2019/20 with zero values removed; and units distributed split by LV, HV and EHV for 2019/20, with 2019/20 based on 2018/19 uplifted by the difference between the demand forecast in the 2018/19 and 2019/20 CDCMs.

ACTION: 20/03 – ElectraLink to request CEPA/TNEI to provide an updated impact assessment for 2018/19 charges where they have completed the iterations needed to resolve the circularities for the impact assessment. And also request a new impact assessment using the spreadsheets provided by AE, being volume forecasts for 2019/20 with zero values removed; and units distributed split by LV, HV and EHV for 2019/20, which have been uplifted by the difference between the demand forecast in the 2018/19 and 2019/20 CDCMs.

- 4.4 The Secretariat explained that they had included example impact assessment data tables in the consultation document to highlight to the group what had been included within the previous consultation. It was noted that for the table showing the impact on the unrestricted tariff for each DNO area, an attempt had been made to update the source tables within a separate spreadsheet document to reflect the latest results but that some unexpected results had been encountered. Specifically, there was larger than expected movement in the all-the-way charges in the UKPN and SP areas as well as some significant fluctuations elsewhere. The Secretariat took an action to review the data used and then send to the Working Group to confirm.

POST MEETING NOTE: As agreed at the meeting, the Secretariat reviewed the input data used and has confirmed that the original attempt contained errors. As such, an updated version of the spreadsheet was provided to the Working Group via email on 28 January 2019 for review.

ACTION: 20/04 – Working Group to review updated source spreadsheet containing the table that is transferred into the consultation document that was provided by the Secretariat to the Working Group via email on 28 January 2019. The spreadsheet is titled ‘DCP 266 Impact Assessment On Domestic Unrestricted Tariff’

- 4.5 One Working Group member noted that there appears to be an Issue with the Impact Assessment, specifically some of the data in the tab titled ‘CDCM per MPAN’. The issue appeared to be that for some DNO areas the ‘Average bills per MPAN for the Small Non Domestic Two Rate all-the-way tariff’ was lower than that of the ‘Average bills per MPAN Small Non Domestic Two Rate LDNO LV tariff’.
- 4.6 It was suggested that this would be due to using volumes that had not been normalised as was seen in the old CDCM model which had all-the-way charges that were normalised for each of the tariffs to which the discounts applied. It was noted that if the LDNO volumes were used then this type of a result would be seen when compared to using the DNO volumes as for some tariffs the LDNO volumes would be very small which would impact the £/MPAN result.

5. Review of outstanding items on Actions and Issues Log

- 5.1 It was noted that the following the Working Groups review of the consultation responses, an action/issues log was created to detail and keep track of a variety of issues/actions.
- 5.2 The Working Group reviewed and updated the actions/issues log during the meeting and the updated the actions/issues log acts as Attachment 2 to the minutes.

6. Next steps and Work Plan

- 6.1 The Working Group reviewed and updated the Work Plan and in doing so agreed that the next steps should cover off the actions taken during the meeting. The updated the Work Plan acts as Attachment 3 to the minutes.
- 6.2 The Working Group agreed that the next meeting will be organised once they are aware of the timescales needed from the DCUSA Modelling Provider to provide updated impact assessments.

7. Any Other Business

- 7.1 There were no items of any other business and the Chair closed the meeting.

8. List of Attachments

- Attachment 1 – DCP 266 Draft Second Consultation (Updated)
 - Attachment 2 – DCP 266 Actions and Issues Log (Updated)
 - Attachment 3 – DCP 266 Work Plan (Updated)
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Appendix A – Actions

NEW AND OPEN ACTIONS

Action Ref.	Action	Owner	Update
13/01	<p>Complete the following:</p> <ol style="list-style-type: none"> 1) Legal text is to be issued with the minutes 2) Confirm internally or with the Panel how the Working Group is to deal with the modelling support transition period as there needs to be some direction with regards to in-flight changes that have already had modelling completed 3) Separate out the actions into an Action/Log of issues. 4) Align the themes from the consultation responses to the above log. 5) Chase DNOs regarding the EHV boundary definition action. 6) Pull together a before and after of the modelling being clear to explain how the group got from the old to the new and how this relates to the issues highlighted by Parties. 	ElectraLink	<ol style="list-style-type: none"> 1) Completed 2) Completed: Provided the Panel's view which is that inflight modelling requests should be issued to CEPA/TNEI 3) Completed 4) Completed 5) Completed: 6 responses received 6) Ongoing (consideration needed for this item due to reverting back to current PCDM set up)
19/01	Review what the calculations are doing as set out under paragraph 46 of the draft legal text. Specifically, whether the 'S' and 'U' are needed as part of the following "P / (S + U)". It is noted that this area was not something highlighted by the modelling consultant and as such will be undertaken in isolation to the modelling request.	Working Group	
20/01	Request for the modelling consultants to provide the populated models that were used for the impact assessment and once received to provide the populated models to the individual DNOs for them to be able to assess the results against their expectations.	ElectraLink	
20/02	Provide to the Secretariat updated input data spreadsheets using volume forecasts for 2019/20 with zero values removed; and units distributed split by	Andrew Enzor	

	LV, HV and EHV for 2019/20, with 2019/20 based on 2018/19 uplifted by the difference between the demand forecast in the 2018/19 and 2019/20 CDCMs.		
20/03	Request CEPA/TNEI to provide an updated impact assessment for 2018/19 charges where they have completed the iterations needed to resolve the circularities for the impact assessment. And also request a new impact assessment using the spreadsheets provided by AE, being volume forecasts for 2019/20 with zero values removed; and units distributed split by LV, HV and EHV for 2019/20, which have been uplifted by the difference between the demand forecast in the 2018/19 and 2019/20 CDCMs.	ElectraLink	
20/04	Review updated source spreadsheet containing the table that is transferred into the consultation document that was provided by the Secretariat to the Working Group via email on 28 January 2019. The spreadsheet is titled 'DCP 266 Impact Assessment On Domestic Unrestricted Tariff'	Working Group	

CLOSED ACTIONS

Action Ref.	Action	Owner	Update