

DCP 255 Working Group Minutes

Meeting Name	DCP 255 Working Group
Meeting Number	02
Date	14 January 2016
Time	10:00
Venue	Web - Conference

Attendee	Company
Neil Magrath [NM] (Chair)	UK Power Networks
John Christie [JC]	Department of Energy And Climate Change (DECC)
Paul McGimpsey [PM]	Scottish Power
Peter Turner [PT]	Northern Powergrid
Claire Hynes [CH] (Secretariat)	ElectraLink

Apologies	Company
Gwen MacIntyre [GM]	SSE

1 ADMINISTRATION

- 1.1 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.
- 1.2 The minutes of the previous meeting were agreed without amendment. The actions log is included as Appendix A.
- 1.3 The Working Group reviewed action 01/01 set out below and provided the following clarifications:
 - consider whether the wording at Clause 1.29 adequately covers inter-distributor connections:

“Where, in order to provide your connection;

 - *we propose to utilise existing Distribution System assets that were previously installed to provide a connection to **another Customer**, and”;*

The Working Group debated changing the draft legal text to state another Customer or Electricity Distributor or changing the Customer definition in the CCCM glossary to state that a Customer is a Customer or Electricity Distributor. The Working Group agreed to not make any changes.
 - Check whether connectees are entitled to a refund if they have paid in whole or in part under the 2016 regulations;

2016 Regulations Para 41B says that these arrangements apply where a second connection has been made and where the first connections contributions are met in whole or in part.

The Working Group agreed that the second comer rule does apply if the first person has paid in part and amended Clause 1.35 to state:

“For Distribution System assets where you have paid in full or in part, then you may be entitled to a future rebate of charges should another Customer connect to those assets. These circumstances are detailed in the ECCR”.

- Consider adding a reference of five to ten years to the ECCR Prescribed Period definition;

The Working Group agreed to add ten years to the ECCR Prescribed Period definition.

- Check whether the DECC regulations will apply only to second connectees or all subsequent connectees within the 10 year period that use up capacity created by the wider reinforcement of the network paid for by the initial connectee;

JC advised that the draft legal text is expected to cover any subsequent connectee within that 10 year period which in theory starts from the 01 October 2016 and on. It is expected that any subsequent connectee will pay the first connectee. If there is a second connectee who has paid the first connectee for their proportion they do not receive a payment from subsequent connectees.

- Check whether other changes in the ECCR not currently captured in the DCP 255 draft legal text should be inserted such as how DNOs will estimate the cost of the ICP connection and contact the customer to provide the refund, Section 22 agreements and inter-distributor connections (IDNOs); and

The Working Group agreed to add legal text on how DNOs estimate the refund due under the second comer rule and the process of how it is refunded. It was agreed that text on the inclusion of Section 22 agreements and inter-distribution connections was unnecessary as it will be captured in the ECCR and does not match with the high level legal text drafting style of the CCCM.

- Check whether the second comer rule does not apply in certain circumstances such as a large development where one party provides the information for the whole site and specific plots are provided to individual developers who pay to be connected to the infrastructure on the site.

JC advised that DECC are considering providing an option for the first connectee to waive the right to the second comer rule to apply.

2 REVIEW OF THE DCP 255 DRAFT LEGAL TEXT

- 2.1 JC thanked Working Group members for their assistance with the development of the DECC ECCR change. The DECC consultation closed in November and in conjunction with the DECC legal department they were going through the responses to the consultation and making some amendments to their approach to the legal text drafting based on this feedback. DECC will publish its formal legal text in mid-February. DECC will be recommending to Ministers that the implementation of this regulation occur in October 2016 rather than April 2016 to allow other regulatory bodies (such as DCUSA) sufficient time to incorporate the legal text changes.
- 2.2 JC advised that the regulations will take in to consideration wider network reinforcement to capture the new connections rather than capturing a new infrastructure investment need which was not foreseen. Connections due to wider network reinforcement being required will

allow for funding repatriation. For example the standard size of the cable or the substations size cannot accommodate the connection requested. As a result wider network reinforcement such as a larger substation is required to accommodate the connection to the network.

- 2.3 JC advised that the DECC legal team are looking at the regulation on the one voltage rule and drafting some text. They do not want a second comer connecting to the network charged something different to the first connectee.
- 2.4 The legal team is looking to broaden the definition of Eligible Person to prevent any issues with contestable connections becoming more frequent and ICPs being not able to cover their costs.
- 2.5 DECC are considering providing additional legal text for the scenario where transmissions costs are incurred when a distribution connection is made and the cost is being passed through to the customer. It is thought that the transmission costs should be covered in the ECCR but are awaiting their Legal Departments views.
- 2.6 Members noted that no obligations will be placed on ICPs. It will be up to the DNOs to make the ICPs aware of the second comer rule. It was noted that Ofgem will be providing guidance on the changes to these regulations.
- 2.7 One member asked the DECC attendee to consider what the process would be if a first connectee required a connection that instigated wider network reinforcement and subsequently chose to reduce their capacity requirement to a level where the wider network reinforcement would not have been necessary. This member considered that in this scenario the customer might get charged.
- 2.8 NM agreed to re-draft Clause 1.38.

ACTION 02/01: NM

3 NEXT STEPS

- 3.1 The DCP 255 Working Group agreed the next steps as follows:
 - The Working Group has scheduled its next meeting on the 01 March 2016 to consider the DECC formal legal text which is expected to be publish in mid-February.

4 ANY OTHER BUSINESS

- 4.1 There were no items of any other business.

5 NEXT MEETING

- 5.1 The next meeting is scheduled for 10:00am on Tuesday, 01 March 2016 via web-conference.

6 ATTACHMENTS

- Attachment 1 - DCP 255 Draft Legal Text

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

Action Ref.	Action	Owner	Update
01/02	Seek the proposers views on the changes that they have made to the draft legal text.	ElectraLink	On-going.
02/01	Re-draft Clause 1.38	Neil Magrath	<p>Post Meeting Note: Neil provided the following draft legal text via e-mail:</p> <p><i>For Distribution System assets previously installed to provide connection and where the connection was provided on or after XX October 2016, the arrangements for recovery of costs and rebates will also apply where those assets were installed by an ICP and adopted by us. These arrangements are as described in the ECCR.</i></p>

Closed Actions

Action Ref.	Action	Owner	Update
01/01	<ul style="list-style-type: none"> consider whether the wording at Clause 1.29 adequately covers inter-distributor connections; Check whether connectees are entitled to a refund if they have paid in whole or in part under the 2016 regulations Consider adding a reference of five to 	All	Completed. Please see Section 1 of the Meeting Minutes.

	<p>ten years to the ECCR Prescribed Period definition.</p> <ul style="list-style-type: none">• Check whether the DECC regulations will apply only to second connectees or all subsequent connectees within the 10 year period• Check whether other changes in the ECCR not currently captured in the DCP 255 draft legal text should be inserted• Check whether the second comer rule does not apply in certain circumstances		
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