

DCP 251 and DCP 252 Issues Log

Area	Ref	Issue	Update
Future publications	01	Lack of engagement with QNOs	It was agreed for the distribution lists from DCP 124 and DCP 263 to be used for future publications 15 Nov 2016: Request to Ofgem for the DCP 251 & 252 consultation to be published on their website.
Future publications	02	Ensure the background paper and future publications covers full settlement metering, which is the only case in which the legal text would apply	15 Aug 2016: It was agreed that full settlement scenarios should be included in the second consultation document. 15 Nov 2016: Covered off full settlements with the second consultation, but there remain wider issues associated with unlicensed distributors outside the scope of DCP 251 & 252. Completed.
Review	03	Undertake a review of Schedule 19 Sections 2 and 3, in terms of the NHH and HH portfolio tariffs	15 Aug 2016: on hold until after the Working Group has issued the next consultation.
Review	04	Qualifying Network Operator definition to be developed further	15 Aug 2016: to be included as part of the second consultation document 15 Nov 2016: Completed as included in second consultation document.
Review	05	There is a risk with the term “unlicensed” is that it might be taken to exclude licensed generators and suppliers operating private distribution networks	15 Aug 2016: it was noted that the original debate was about using “licence exempt distribution networks”, however, it was noted that some parties may be operating unlicensed networks while being in breach of the requirement to have a licence. Using the term “unlicensed” covers people owning and

			<p>operating distribution networks without a distribution licence.</p> <p>The group agreed to use the term “unlicensed distributors”</p> <p>15 Nov 2016: Completed as included in second consultation document.</p>
Review	06	Consider whether we need to have separate terms for LDNO and QNO in the legal text	<p>15 Aug 2016: it was noted that this is a valid point and in some cases where PNO and IDNO are used then technically LDNO and QNO should be used. The group agreed that the legal text should be reviewed for this once drafted.</p> <p>15 Nov 2016: Will be reviewed after the second consultation responses are received.</p>
Review	07	Should it be the Use of System services that the unlicensed operator provides or should it be the Use of System services it receives from the DNO	<p>15 Aug 2016: the group agreed that it should be about to what extent the PNO the same as and IDNO. To that extent you are saying what services does the PNO provide compared to the IDNO.</p> <p>It was noted that what is meant by “use of system services” needs to be defined, as there are differing views as to whether it covers MPAS services. It was agreed that this should be picked up as part of the summary of services provided in the consultation document.</p> <p>15 Nov 2016: Complete: The consultation differentiates between “use of system services” and “data services” of which MPAS services forms part of “data services”, this being defined in the distribution licence.</p>

Review	08	Sch 16 114 and 117: we would be in favour of using LDNO network data as a proxy for QNO network data. The unlicensed QNOs may include less sophisticated entities that are not DCUSA parties and obtaining data from them may be problematic	<p>15 Aug 2016: it was noted that this is about network length for use in the LV/HV split. The group agreed that this is not relevant for the decision making process but would impact tariffs.</p> <p>15 Nov 2016: Completed as the Working Group agreed that they would be in favour of using LDNO network data as a proxy for QNO network data.</p>
Portfolios	09	The portfolio billing that supports IDNO tariffs relies on the IDNO constructing the portfolio data for all its registered MPANs on its sites that are connected to a particular DNO's assets. The IDNO sends this portfolio data to the DNO. IDNOs (as market participants) access industry systems and data to construct the portfolio data, whereas it is difficult to see how a Distribution Exempt Holders who is not a market participant could do this	<p>15 Aug 2016: it was noted that Distributors need to have discussions and bilateral agreements in place to address this. It was suggested that to be part of the IDNO tariffs they should be able to provide data in the approved format.</p> <p>It was observed that including the PNO data in the Nominated Calculation Agent data will have an impact on IDNO tariffs. If on average PNOs do not provide the same amount of network as IDNOs then this will impact IDNO tariffs.</p> <p>It was also noted that PNOs connected at EHV with end users connected at LV could cherry pick between EHV and LV tariffs to reduce their overall charges.</p> <p>15 Nov 2016: Completed.</p>
Portfolios	10	Distribution Exempt Holders tend to own self-contained individual sites that exist for specific and dissimilar purposes e.g. ports and airports, whereas the IDNO model replicates very similar sites e.g. new housing and that model lends itself well to portfolio billing	<p>15 Aug 2016: it was noted that IDNO sites to new housing will be very similar to the same types of sites that the DNO is providing, whereas it could be questioned whether this is the case for the type of site that a PNO owns.</p>

			<p>The LDNO tariff is calculated based on the way that the DNO incurs the cost (i.e. the CDCM and Method M methodologies) on a per customer basis. This is because on average the IDNO is substituting the services that the DNO would provide.</p> <p>It was agreed that this needs to be brought out in the consultation document and the following consultation question should be asked on this: “Even if it were the case that undue discrimination is taking place, due to the nature of how IDNO tariffs were developed, is it appropriate to calculate IDNO and PNO tariffs using the same approach?”</p> <p>15 Nov 2016: Completed as this has been covered by the consultation questions.</p>
Non-metered end users	11	Distribution Exempt Holders sites utilising the BSC difference metering solution have both boundary meters and some end-user meters. Not all end users would be metered so a way of applying the IDNO tariffs to the boundary meters would need to be found	<p>15 Aug 2016: the group agreed that this is outside of the scope of this CP. It was noted that there is currently no nationally agreed approach, with each DNO setting their own approach.</p> <p>16 Nov 2016: Complete as agreed out of scope.</p>
Customer choice	12	To qualify as a QNO an unlicensed network operator must notify the DNO. This allows an unlicensed operator to choose between an LDNO or ordinary tariff (which can result in lower charges in some circumstances) which is an option not available to LDNOs	<p>15 Aug 2016: it was noted that this goes back to the point on cherry picking tariffs. It was suggested that once it is demonstrated at this case applies then it should apply in perpetuity unless there are any changes to the way in which the network is constructed.</p>

			16 Nov 2016: Complete
Review	13	Should Unmetered Supply be considered by the Working Group?	16 Nov 2016: Complete as included in consultation.
Review	14	Should the Difference Metering scenario be out of the Working Group's scope?	16 Nov 2016: Complete as agreed that this is out of scope.
Review	15	Should a template be produced for non-legacy arrangements associated with BNO sites?	16 Nov 2016: Complete as the Working Group agreed that it was not necessary to produce an additional template.