

# DCP 235 Working Group Minutes

<b>Meeting Name</b>	DCP 235 Working Group
<b>Meeting Number</b>	02
<b>Date</b>	24 June 2015
<b>Time</b>	10:00
<b>Venue</b>	Meeting Room 1, 2-3 Golden Square, London, W1F 9HR.

Attendee	Company
Paul Abreu [PA] (Chair)	Energy Networks Association
Andy Jones [AJ]	npower
Gordon McKenzie [GM] (teleconference)	Scottish Power
Kevin Woollard [KW]	British Gas
Nisha Doshi [ND] (part-meeting)	Ofgem
Paul Morris [PM]	UK Power Networks
Paul Smith [PS]	AMO
Rachael Mottram [RM]	Gemserv
Steve Lloyd [SL] (teleconference)	SSE
Terri Hamilton [TH] (teleconference)	SSE
Tim Newton [TN]	E.ON
Claire Hynes [CH] (Secretariat)	ElectraLink

Apologies	Company
Graham Brewster [GB]	Western Power Distribution
Helen Fosberry [HF]	E.ON

## 1 ADMINISTRATION

- 1.1 The minutes of the last meeting were approved without amendment.
- 1.2 The Working Group updated the open and closed actions as set out in Appendix A.
- 1.3 The Working Group reviewed the “Competition Law Dos 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 235 CONSULTATION RESPONSES

- 2.1 The Working Group reviewed the DCP 235 consultation responses. The Working Group addressed each respondents comments on the DCP 235 consultation which is captured in Attachment 1. The Working Group note that the attached comments have not been finalised as a new direction was provided by Ofgem at the meeting which may lead to changes in the way in which the feedback from respondents will be utilised as part of this change.
- 2.2 The Chair summarised the DNO position on this change in two points:

- The collection of this information does not substitute the obligation that DNOs have to comply with the ESQCR. The DNO will not be fully relying on this data being provided by Suppliers (some other sources include feedback from Customers, Electricians, MoPs and meter readers) but it will aid and help to focus DNOs on assets with a higher risk. As such it will feed in to an asset based management approach for decisions that DNOs take on assets that they consider have a higher risk. DNOs consider that obtaining this information during the smart meter roll out to be the most cost effective approach.
  - The alternative option was for DNOs to create a force who will specifically call out to collect data from approximately 26 million meters in order to determine which assets need attention. The DNOs did not consider this a cost effective approach.
- 2.3 One member asked given that certain factors such as the RMISSE court case already indicated a need for DNOs to gather information on their Service Termination Assets why the cost was not included in the submission by DNOs of their asset inspection maintenance plan to Ofgem for funding in RIIO-ED1. Members noted that a specific work force to (visit approximately 26 million sites) undertake this task was deemed uncost effective and that the funding for this exercise under the RIIO-ED1 price control could not now be re-visited as it was not specified in the DNOs settlement points. The concept of Suppliers collecting data on the DNOs service termination asset during the smart roll-out came about after the RIIO-ED1 submissions. The RIIO-ED1 submissions occur approximately two years before the price control comes in to effect. One Supplier attendee voiced concerns that Suppliers were being disadvantaged by this change due to the DNOs not including it in their asset inspection maintenance plan.
- 2.4 The Working Group agreed that the smart meter roll-out represents the best opportunity for this information to be gathered in a timely manner. However, it was noted that the Supplier respondents considered there to be a cost and time impact in undertaking this data collection during the smart meter roll-out which may impact the Suppliers meeting their targets for completion of smart meter installations.
- 2.5 On review of the responses, the Working Group agreed to undertake a cost benefit analysis taking a similar approach to DCP 127 'Gas First Smart Meter Installation' which used indicative costs in order to avoid competition issues. The Working Group agreed to detail the cost of a Supplier undertaking the inspection during the smart meter roll out and compare it with DNOs setting up an arrangement with the Meter Operators (MoPs) to undertake the inspection to provide an alternative costing for a specific workforce dedicated to this task. Members noted that a consequential change to the Data Transfer Catalogue (DTC) would be required to introduce a dataflow between the DNO and the MoP should the latter solution prove to be the most effective
- ACTION 02/01: ALL**
- 2.6 PS agreed to take an action to check whether MoPs could pull a fuse when acting on behalf of the DNO and to draft the cost benefit analysis for MoPs undertaking the service termination asset inspection.
- ACTION 02/02: PS**
- 2.7 The Working Group considered that Supplier members, DNO members and AMO members would need to draft a list of items in order to provide costs for the cost benefit analysis. If the cost to undertake the task was low and the benefits for both DNOs and Suppliers could be more clearly outlined then it was thought that this change was more likely to be received well by Parties when the change report is issued for voting.

- 2.8 Members noted that the size of the asset was not covered by a Category A item and that Category C only allowed the respondent to provide one item rather than the 6 items that the DNOs have prioritised for the Supplier to collect via a dataflow. Other considerations are the environment the asset is situated in such as the humidity level and the risks associated with it. One member suggested that new items could be added to this list such as metal clad cut-outs containing asbestos. The Working Group agreed to short list any other items that may be beneficial and create a validation process for whether these data items are of a sufficient priority to be included.

**ACTION 02/03: ALL**

- 2.9 Members considered that if overtime that metal clad cut-outs were considered to be a greater risk than plastic cut-outs once the data had been analysed then the DNO could choose to undertake an asset replacement programme to replace them as part of its risk based approach.
- 2.10 The chair agreed to approach the Energy Networks Association in regards to providing a service termination equipment guidance document to aid the training of those collecting the data at the DNOs asset.

**ACTION 02/04: PA**

- 2.11 One member noted that the outcome of the EATL<sup>1</sup> work will give an indication of failure items that may require correctional visits. The work of DCP 195A, outcome of must inspect sub-group, smart meter roll out and EATL will have an impact on this change.
- 2.12 NS noted that the 2yrs to inspect was an obligation to collect data but was not an obligation on Suppliers like the ESQCR obligation on DNOs to maintain their networks.
- 2.13 The Ofgem attendee advised that there shall be no cross subsidy between a Supplier and a network operator for work being done by the Supplier on behalf of the DNO to the benefit of the DUoS Customer. DUoS costs should lie with the DUoS customer to ensure cost reflectivity. The Working Group noted that the Ofgem position is that any costs for this data to be collected by the Supplier should be passed to the network operator. The Working Group agreed to request this Ofgem direction in writing.

**ACTION 02/05: ELECTRALINK**

- 2.14 Members noted that given the direction from Ofgem that if the DNOs wished to individually procure Suppliers to undertake this work that the cost benefit analysis carried out by this CP could lead to competition issues.
- 2.15 The Working Group agreed to place the above actions on-hold until further discussion had occurred on the 14 July 2015 at the Service Terminations Issues Group (STIG). PA agreed to provide feedback from this meeting indicating the DNO position on this change.

**ACTION 02/06: PA**

### **3 NEXT STEPS**

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- 3.1 The DCP 235 Working Group agreed the next steps as follows:

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1.1 <sup>1</sup> EA Technology's (EATL) developed an econometric model ,TRANSFORM™3, which can provide an estimate of the spending profile necessary to prepare and reinforce the GB distribution networks and implement smart solutions to meet the future uptake of Low Carbon Technologies (LCT), as forecast/anticipated by the UK Government's Department of Energy and Climate Change (DECC). The Smart Grid cost benefit model created by WS3 and EATL, was used by DNOs and Ofgem as part of the RIIO ED1 price control process.

- All actions to be placed on-hold until the outcome of discussions on Ofgem's direction at the Service Terminations Issues Group is known.
- Further actions to be undertaken:
  - Undertake a cost benefit analysis
  - Draft a second consultation
  - PA to draft the DCP 235 legal text.

#### **4 ANY OTHER BUSINESS**

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4.1 There were no items of any other business.

#### **5 NEXT MEETING**

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5.1 The next meeting is scheduled for 10:30am on 20 July 2015 via teleconference.

#### **6 ATTACHMENT**

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Attachment 1 – DCP 235 Consultation Collated Responses With Working Group Comments

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

Action Ref.	Action	Owner	Update
02/01	Undertake a cost benefit analysis on the collection of service termination equipment information data by Suppliers and MoPs and the costs to each Party involved.	All	On-hold
02/02	Check whether MoPs could pull a fuse when acting on behalf of the DNO and draft the cost benefit analysis for MoPs undertaking the service termination asset inspection.	PS	On-hold
02/03	Short list any other data items that may be beneficial and create a validation process for whether these data items are of a sufficient priority to be included in the data to be collected.	All	On-hold
02/04	Approach the Energy Networks Association in regards to providing a service termination equipment guidance document to aid the training of those collecting the data at the DNOs asset.	PA	On-hold
02/05	Request Ofgems direction at paragraph 2.13 in writing.	ElectraLink	On-hold
02/06	Place all actions on-hold until further discussion has occurred on the 14 July 2015 at the Service Terminations Issues Group (STIG) and PA has provided	PA	

	feedback to the Working Group on the 20 July 2015.		
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**CLOSED ACTIONS**

Action Ref.	Action	Owner	Update
01/01	Send out an updated DCP 235 Terms of Reference (ToRs).	Electra Link	Completed.
01/02	Compare the items in the proposed MRA dataflow against the Category C items to determine the level of overlap and the extra items that may need to be added to the MRA dataflow.	Paul Abreu	Completed.
01/03	Amend the DCP 235 draft consultation based on comments made at the meeting and provide to the secretariat to circulate to the Working Group	Paul Abreu	Completed.
01/04	<p>Undertake the following actions in relation to the consultation:</p> <ul style="list-style-type: none"> <li>• PA agreed to update the DCP 235 consultation and circulate to Working Group members for comment. Comments on this consultation will close on the 11 May 2015.</li> <li>• The Working Group agreed to issue the consultation to industry parties on the 15 May 2015 with a closing date of the 12 June 2015.</li> <li>• The Working Group has scheduled its next meeting for the 24 June 2015 for the purpose of considering the consultation responses.</li> </ul>	All	Completed.