

# DCP 203 Working Group Minutes

<b>Meeting Name</b>	DCP 203 Working Group
<b>Meeting Number</b>	12
<b>Date</b>	22 July 2015
<b>Time</b>	10:00
<b>Venue</b>	Teleconference/Webinar

Attendee	Company
Neil Fitzsimons [NF] (Chair) (Part Meeting)	Brookfield Utilities
Donna Townsend [DT]	ESP Electricity
Lesley Ferrando [LF]	Ofgem
Chris Ong [CO]	UK Power Networks
Michael Walls [MW] (Secretariat)	ElectraLink

## 1 ADMINISTRATION

- 1.1 There were apologies received from Andrew Enzor (Northern Powergrid) and Simon Yeo (Western Power Distribution).
- 1.2 The minutes of the previous meeting were agreed without amendment.
- 1.3 A list of the actions both opened and closed at this meeting is included as Appendix A.

## 2 COMPETITION LAWS DO'S AND DON'TS

- 2.1 The Working Group reviewed the "Competition Law Dos and Don'ts". All Working Group members agreed to the terms set out in the document.

## 3 REVIEW OF THE IMPACT ANALYSIS

- 3.1 The Working Group reviewed the impact analysis that was provided by NF. This document is included as Attachment 1.
- 3.2 NF explained to the group how the impact assessment that was performed, and the different inputs that make up the values within the sheet.
- 3.3 DT felt that the information that is contained within this sheet, and where it comes from or the assumptions made, should be included within the Change Report.

### Action 12/01: ElectraLink

- 3.4 NF then took the group through the variances that are calculated within the sheet, and felt that with the larger number of connections, the variance from the status quo could prove problematic – both from the value and also from loss of cost reflectivity.
- 3.5 NF then asked the Working Group members their opinions on the scale of the variances that are shown in this impact analysis.
- 3.6 CO explained that if you have 14 DNO regions, that the point of connection could change from LV to HV; and also that these numbers are nationally. Although the variances are higher than expected, it may be that it isn't that great. The Working Group needs to consider whether this

is acceptable, and also the loss of cost reflectivity so that it can be explained in the Change Report.

- 3.7 NF noted that he will complete all the analysis for all the regions and aggregate the total.
- 3.8 NF took the group through the second Excel workbook that was sent through this morning. It was felt that there could still be some issues with the current thinking.
- 3.9 LF
- 3.10 NF felt that there may need to have a more advanced regression analysis put forward on this data, which would have to be done by the DCUSA modelling consultant.
- 3.11 There was discussion about the cost reflectivity of tariffs, and how that relates to DNOs costs or the embedded costs.
- 3.12 NF asked if another Working Group member could look over the initial analysis, to ensure that no mistakes have been made, and DT offered to assist.

**Action 12/02: DT**

- 3.13 NF will also create the data sheets for all the DNO regions. NF will also review the previous analysis completed by the group. NF felt that until these issues are settled, the progress on the CP should stop so that a way forward can be agreed.

**Action 12/03: NF**

3.14

#### **4 REVIEW OF THE LEGAL TEXT**

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- 4.1 The Working Group then discussed the proposed legal drafting. It was noted that as the impact analysis may change the way the solution is progressed, it may be worth waiting to review the comments received by Peter Waymont.
- 4.2 The Working Group decided to wait until the impact analysis is received back from NF before the legal text comments are considered. It was felt that both items should be considered at the next meeting.

#### **5 NEXT STEPS**

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- 5.1 The DCP 203 Working Group agreed that the next steps as follows:
- ElectraLink to issue the draft Change Report to the Working Group for review

#### **6 ANY OTHER BUSINESS**

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- 6.1 There were no items of any other business raised at the meeting.

#### **7 NEXT MEETING**

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- 7.1 The Working Group will likely not meet again, unless there are any significant issues identified within the draft Change Report or legal text that cannot be addressed over email.

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

Action Ref.	Action	Owner	Update
10/01	NF and DT agreed to include a section within the Change Report to demonstrate that the impact on cost reflectivity has been considered.	DT and NF	Ongoing 19/06/15 – DT and NF will complete this action and send out to the Working Group for review
10/02	The Working Group agreed to email SSE for further information regarding their response to Question 1 of the consultation. In particular, what about the analysis that they perceived not to be robust.	ElectraLink	Ongoing ElectraLink has sent an email to this DNO respondent, but has not received a reply to date. It was agreed for ElectraLink to send a follow up email. 22/7/15 – Send one more follow up email, and indicate that no response will be taken as no further clarification is needed for the Change Report.
10/03	The Working Group agreed to write back to WPD and ask if they could provide more clarification on what issues they perceive with the legal text as indicated within their response to Question 3 of the consultation; and to also offer a teleconference to address the issues to go forward.	ElectraLink	Ongoing ElectraLink has sent an email to this DNO respondent, but has not received a reply to date. It was agreed for ElectraLink to send a follow up email. 22/7/15 – Send one more follow up email, and indicate that no response will be taken as no further clarification is needed for the Change Report.