

Minutes

Meeting Name	DCP 203 Working Group
Meeting Number	06
Date	25 September 2014
Time	14:00
Location	Teleconference

Attendee	Representing
Neil Fitzsimons [NF] (Chair)	Brookfield Utilities
Donna Townsend [DT]	ESP Electricity
Michael Walls MW] (Secretariat)	ElectraLink Limited

1 ADMINISTRATION

- 1.1 Apologies were received from Nigel Birchley (Power Data Associates) and Rob Garner (ENWL).

2 REVIEW OF THE PREVIOUS MINUTES

- 2.1 The Working Group then reviewed the minutes from the previous meeting and they were agreed without amendment.

3 COMPETITION LAW DO'S AND DON'TS

- 3.1 The Working Group then reviewed the "CDCM Competition Law Dos and Don'ts" and all Working Group members agreed to the terms set out in the document.
- 3.2 It was noted to the Working Group members that the guidance is published on the DCUSA website with the meeting papers.

4 REVIEW OF THE IMPACT ASSESSMENT AND LEGAL TEXT

- 4.1 NF reviewed the impact assessment with the group and this is included as Attachment 1.
- 4.2 NF noted that the he had considered four different scenarios for four different fictitious IDNOs that have different types of connection boundary points with the DNOs. The objective was to get the likely or potential error that could be introduced.
- 4.3 NF noted that this scenario introduces an error, and what the Working Group need to consider this within a Change Report - can this loss of cost reflectivity can be justified for the potential change. NF then explained that an easy way to correct this would be

to create a discount on every IDNO's portfolio, rather than the fictitious ones. However, this would create additional complexity within the change.

- 4.4 CO then explained that he had reservations about the additional complexity, but also how a new IDNO market entry is treated, as it would be in a different way than existing IDNOs. NF felt that you would have to use an average across the Industry and then create their own discount factor once they build up their own portfolios.
- 4.5 DT then explained that the ultimate aim is to reduce the number of MPANs required. If you left the tariffs alone, and amended the portfolio billing schedule to make it similar to the nested networks schedule, this could get the desired result without the levels of complexity required by the other types of solutions.
- 4.6 DT queried whether the schedule could be amended to state that all unmetered supplies could be settled on a certain LDNO tariff. This would leave the customer's tariff as is, and would only affect the inter-distributor billing.
- 4.7 The Working Group then discussed the way that this solution would work in practice. DT felt that this could be a more simple way to find a solution to this issue, and if the Working Group agreed that she would be happy to draft some legal text for this type of solution and circulate it to the Working Group.

Action: DT

- 4.8 The Working Group agreed that if this solution is taken forward that it would need to be consulted upon as part of the due diligence of the Working Group. It was agreed that DT would draft some potential consultation questions and circulate this to these to the Working Group. MW took the action to assist DT in drafting the consultation documents.

Action: DT and MW

- 4.9 The Working Group discussed various scenarios of how the type of tariff would need to be agreed beforehand, and the mechanics behind the way it would work. It was agreed that a framework would need to be established beforehand.
- 4.10 The Working Group felt that there would need to be a fall-back position for the situation where the IDNO doesn't request this, it would be X; if it does request it, and then it would be Y.
- 4.11 The Working Group then discussed how this would be produced within the billing system, and once that is complete it should be a relatively straight forward process.

5 WORK PLAN

- 5.1 The work plan was agreed as follows:

- DT agreed to circulate the legal text and consultation comments by 3 October 2014
- The Working Group to review the legal text and consultation documents until 10 October
- Issue the consultation in mid-October

- ElectraLink to send around a doodle poll with dates in early November for meeting dates to review the consultation.

6 ANY OTHER BUSINESS

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

7 DATE/LOCATION OF NEXT MEETING

7.1 The Working Group agreed to circulate the documents via email, and plan a meeting to review the consultation responses. ElectraLink will send around potential dates to the Working Group members.

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

Action Ref.	Action	Owner	Update
06/01	DT agreed to circulate the legal text and consultation comments by 3 October 2014	DT and ElectraLink	
06/02	ElectraLink to issue the consultation in mid-October	ElectraLink	
06/03	ElectraLink to progress the CP through the agreed work plan	ElectraLink	

ACTIONS AGREED CLOSED AT THE MEETING

Action Ref.	Action	Owner	Update
05/01	NB and NF to develop a scenario about cost reflectivity that can be included within the Change Report	NF and NB	
05/02	NF and DT agreed to produce the impact analysis to be included within the Change Report	NF and DT	