

DCP 138 Working Group Minutes

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| Meeting Name | DCP 138 Working Group Meeting |
| Meeting Number | 5 |
| Date | 10 March 2015 |
| Time | 10:00 |
| Venue | Web-Conference |

| Attendee | Company |
|------------------------|--------------------|
| Simon Yeo [SY] (Chair) | WPD |
| Andrew Pace [AP] | ENWL |
| Claire Campbell [CC] | SP Energy Networks |
| George Moran [GM] | British Gas |
| Harminder Basi [HB] | UKPN |
| Hui Yi Heng [HH] | SEPD |
| Steven Inglis [SI] | Northern Powergrid |
| Katherine Rushton [KR] | ElectraLink |

| Apologies | |
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| Iain Morgan [IM] | Ofgem |
| Keith Burwell [KB] | Ofgem |
| Mei Cao [MC] | UKPN |

1 ADMINISTRATION

- 1.1 The apologies received prior to the meeting are above.
- 1.2 The Working Group confirmed that they agreed to the terms set out in the "Competition Law Dos and Don'ts".
- 1.3 The minutes of the last meeting were reviewed and approved without amendments.
- 1.4 The group reviewed the open actions and are shown in Appendix A.

2 REVIEW UPDATED NUF ANALYSIS

- 2.1 The Working Group reviewed the Network Use Factor (NUF) Analysis and noted that the impact on EDCM recoverable revenue varied across the DNO areas, with some areas seeing an increase in EDCM revenue whilst others were seeing a reduction. Within these areas there is further variation in customer charges – some falling and some rising. Some of the changes appeared significant both in terms of percentage change and £s change.
- 2.2 During discussions around the NUF Analysis, attendees suggested that a summary table should be produced to indicate the overall change in the different area's EDCM recoverable revenue. This should show the £s change and % change from the current position.

ACTION 05/01: AP/ALL

- 2.3 The Working Group agreed that EDCM customers would need to be contacted at the consultation stage. There was a discussion about how to engage impacted EDCM customers and whether the draft consultation should just be issued to customers that were materially impacted, and whether they should be informed at this stage that it was likely that they were materially impacted and to what extent.
- 2.4 One attendee mentioned that all EDCM customers needed to be contacted, while an other attendee felt that only customers above a threshold for a significant impact should be contacted. This would be based on a financial threshold and a threshold based on the percentage change the customer's bill was likely to be impacted by. It was also discussed how these customers could be contacted and the use of a 'mail merge' and communication via email was suggested. However, there were issues with this given that the email address for some customers was not available to some DNOs, and they may need to be contacted via their Suppliers, who may be reluctant to do this. The Working Group agreed to discuss these issues internally in terms of whether they should contact all EDCM customers and if they were to target customers that were materially impacted what thresholds should be used, and the form of communication with these customers.

ACTION 05/02: ALL

- 2.5 CC mentioned that SP Energy Networks had in the past invited customers to workshops for a change that would impact them that were well attended.

3 REVIEW REVISED DRAFT LEGAL TEXT

- 3.1 The Working Group reviewed the draft legal text.
- 3.2 A question was raised as to whether the values for the 'NUFs used create the cap and collar' for 2016/2017; 2017/2018; and 2019/2020 were accurate in Table 13. An attendee mentioned they were and that it only needs to be updated if condition 3 is implemented. The Working Group agreed that the legal text did not need to be amended.

4 REVIEW CONSULTATION DOCUMENT

- 4.1 The Working Group reviewed the consultation document and suggested the changes as provided in Attachment 1, with the amendments made by ElectraLink post-meeting.

ACTION 05/03: ELECTRALINK

- 4.2 The Working Group agreed to review the consultation document ex-committee.

ACTION 05/04: ELECTRALINK

- 4.3 It was agreed that the consultation document should be issued for a period of four weeks in order to receive sufficient responses from EDCM customers.

5 NEXT STEPS

- 5.1 The Working Group agreed that the following steps needed to be undertaken to progress the change:
- AP would review the NUF Analysis to produce a summary table template for completion by the DNOs 'Round-robin-style' by 17 March 2015 for inclusion in the consultation document;
 - the Working Group would consider the thresholds to identify the customers that should be contacted regarding this change, and feedback this information to Working Group members ex-committee;

- the Working Group would review the consultation document and suggest amendments ex-committee; and
- the consultation document would be issued for four weeks with a deadline of 24 April 2015 for responses.

ACTION 05/05: ELECTRALINK**6 ANY OTHER BUSINESS**

- 6.1 There were no items of any other business.

7 AGENDA ITEMS FOR THE NEXT MEETING

- 7.1 The Working Group agreed that the following items should be on the agenda for the next meeting:
- Review of the Consultation Responses; and
 - Change Report.

8 DATE OF NEXT MEETING

- 8.1 The next meeting of the Working Group will be a webinar reconvening at 10 am on 1 May 2015.

ATTACHMENTS

Attachment 1 - DCP 138 Draft Consultation v1 Redlined

Attachment 2 - DCP 138 Draft Consultation v1

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

| Action Ref. | Action | Owner | Update |
|-------------|---|---------------------|--------|
| 05/01 | AP would produce a summary table template for the NUF Analysis and circulate it 'Round-robin'-style to the DNOs for inclusion in the consultation document. | Andrew Pace DNOs | |
| 05/02 | Enquiry internally as to the best method for contacting impacted customer and the thresholds to be used for identifying customers whose views need to be sought for the consultation. | All | |
| 05/03 | Amend the consultation document as discussed in the meeting and circulate a redlined and clean version to Working Group attendees. | ElectraLink | |
| 05/04 | Review the consultation document and make suggested amendments. | All | |
| 05/05 | Progress the change according to the Work Plan for this meeting. | ElectraLink | |

ACTIONS AGREED CLOSED AT THE MEETING

| Action Ref. | Action | Owner | Update |
|-------------|---|-------------------------|---|
| 04/01 | Circulate a template for the Condition 3 NUF Factors for DNOs to populate and a 'Cap and Collar' spreadsheet to be populated 'Round Robin-style' by DNOs. | Andrew Pace | 10 March 2015 - Closed. This has been circulated to Working Group members prior to the meeting. |
| 04/02 | Develop the legal text to a deadline of 6 March 2015. | George Moran Mei Cao | 10 March 2015 - Closed. This has been circulated to Working Group members prior to the meeting. |

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|-------|--|-------------|---|
| 04/03 | Update the consultation document to include dates for the progression of the CP and circulate the following attachments: 'EDCM Condition 3' and 'EDCM Condition 3 Report 1 June 2012'. | ElectraLink | 10 March 2015 - Closed. This has been circulated to Working Group members prior to the meeting. |
| 04/04 | Progress the CP in accordance with the work plan. | ElectraLink | 10 March 2015 - Closed. |