

# DCP 328 Working Group Meeting 17

06 February 2020 at 10:00

Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Kathryn Evans (KE)	SPEN
Julie Haughey (JH)	EDF
Derek McGlashan (DM)	Forth Ports
Christine Jamieson	Xero Energy Limited
Kara Burke (KB)	NPg
Tom Cadge (TC)	BUUK
Will Ellis (WE)	Leep Utilities
Pamela Howe (PH)	NPg
Chris Ong (CO)	UKPN
<b>Code Administrator</b>	
John Lawton (JL) (Chair)	ElectraLink
Richard Colwill [RJC] (technical secretariat)	ElectraLink

Apologies	Company
Tom Chevalier (TC)	Power Data Associates
Lee Stone (LS)	EON

## 1. Administration

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- 1.1 The Chair welcomed the members to the meeting.
- 1.2 The Working Group reviewed the “Competition Law Guidance”. All Working Group members agreed to be bound by the Competition Laws Guidance for the duration of the meeting.
- 1.3 The Working Group noted that they were happy with the minutes from the previous meeting held on 14 January 2020, except for one amendment. Within section 3.2, there was a spelling mistake, and this has been amended and an updated version of the minutes can be found in Attachment 1.
- 1.4 An update on the actions can be found in Appendix 1.

## 2. Purpose of the Meeting

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- 2.1 The Chair set out that the purpose of the meeting was to confirm the solutions for two outstanding issues regarding residual charging and definition of “Designated Property” and to review the draft legal text, modelling documentation and draft consultation document.

## 3. Confirm Solution of Outstanding Issues

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### **Residual Charging**

- 3.1 The Working Group considered the outstanding issue regarding residual charges and whether they should be applied or not to Licence Exempt Networks. After discussion it was agreed that residual charging would be descoped from this CP because under the Ofgem TCR Decision and Impact Assessment released in November 2019, it placed an obligation on DNOs to review residual charges and this work is being picked up by DCPs 358, 359, 360 and 361. The Working Group noted that they would need to be kept informed with the progress of these CPs to ensure that they are appropriately aligned.

### **Definition of “Designated Property”**

- 3.2 The Working Group discussed the issue regarding the approach to be adopted for customers connected at an Extra High Voltage connection but the metering being at the HV or LV. A site connected at HV or LV on a PNO network which itself is connected to a DNO network at EHV would not meet the definition of a “Designated Property” in the licence and therefore technically the CDCM couldn’t be used to calculate its charges.
- 3.3 After reviewing the Working Group agreed that the definition of “Designated Property” within Schedule 16 should be redefined. At present the text in schedule 16 states:

“1A. The CDCM is applicable to “Designated Properties”, as defined in Standard Condition 13A (Common Distribution Charging Methodology) of the DNO Party’s Distribution Licences.”

It was agreed that this could be resolved by adding a clause to this to say the following:

“1A. The CDCM is applicable to “Designated Properties”, as defined in Standard Condition 13A (Common Distribution Charging Methodology) of the DNO Party’s Distribution Licences and properties connected to Licence Exempt Systems at Low Voltage (LV), Low Voltage substation (LVS) and High Voltage (HV)”

- 3.4 The Working Group reviewed and updated the draft legal text in light of the above decisions regarding residual charging and definition of “Designated Customer”. The Working Group also reviewed and updated the current modelling documentation. It was agreed that this would be circulated post meeting for review, with the intention of commencing the modelling work on Wednesday, 12 February.
- 3.5 The Working Group also reviewed the current draft consultation document and it was agreed that the Secretariat would update the consultation document and circulate to the Working Group for review. It was suggested that the Working Group would meet on 3<sup>rd</sup> March to review the draft consultation document.

#### **Post Meeting Note from NPg**

- 3.6 In agreement with the Targeted Charging Review (TCR) implementation steering group, and as proposer of DCP328, NPg would like to put this change on ‘hold’ pending development of modifications to implement the TCR Decision: namely DCPs 358-361.
- 3.7 In the TCR Direction, the Authority stated that DNOs must consider “any consequential changes that may be required in relation to residual charges for Independent Distribution Network Operators (IDNOs), consumers connected to private wire and complex sites”.
- 3.8 NPg is concerned that DCP328 overlaps with the TCR and where DCP328 may introduce new charges which the TCR modifications cannot rely upon as part of the solution. Further, the TCR modifications are limited in scope to residual charging and NPg consider that DCP328 risks delaying implementation of the TCR Decision, which is already running to extremely tight timescales.
- 3.9 It is proposed that the status of DCP 328 is reviewed once solutions to DCPs 358-361 have been agreed.

**ACTION 17/01: The Secretariat to keep the DCP 328 Working Group up to date on the progress of DCPs 358-361 so that if this CP is reconvened appropriate decisions can be made to progress the solution.**

## **4. Any Other Business**

- 4.1 There were no further items of AOB and the Chair closed the meeting.

## **5. Date of Next Meeting**

- 5.1 The date of the next meeting is to be confirmed, pending outcomes of DCPs 358-361, as stated above.

## 6. Attachments

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- Attachment 1: Updated DCP 328 Working Group Meeting 16

## New and open actions

Action Ref.	Action	Owner	Update
<b>01/01</b>	ElectraLink to consider approaches to ensure appropriate engagement with private network operators.	ElectraLink	Ongoing and considered at each meeting or consultation circulation
<b>17/01</b>	The Secretariat to keep the DCP 328 Working Group up-to-date on the progress of DCPs 358-361 so that if this CP is reconvened appropriate decisions can be made to progress the solution.	ElectraLink	

## Closed actions

Action Ref.	Action	Owner	Update
<b>13/01</b>	Draft legal text for both solutions to be circulated to Working Group for comments by Friday 19 <sup>th</sup> July.	ElectraLink	Completed
<b>13/02</b>	Kara Burke to provide clarity on the comments made by Andrew Enzor regarding Section 1A of Schedule 16	KB	Completed
<b>13/03</b>	The Secretariat to produce draft second consultation document and circulate to the Working Group for review by Monday 29 <sup>th</sup> July.	ElectraLink	Completed
<b>16/01</b>	The Secretariat to draft a consultation seeking industry views on the two outstanding issues.	ElectraLink	Action closed