

Meeting Session	DCUSA Panel (Open Session)
Paper Reference	Panel_2020_0715_02_DCMDG Headline Report 29
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 29

1. Synopsis

- 1.1 This report sets out the headlines from the 29th DCMDG held on 2nd July 2020 via teleconference. The full minutes and associated papers of the meeting are available on the DCUSA website.

2. Attendance

- 2.1 This meeting was chaired by Angelo Fitzhenry and Technical Secretariat support was provided by Hollie Nicholls.
- 2.2 A total of 25 industry participants dialled into the meeting.

3. Forward Work Plan

- 3.1 One new issue had been raised by Scottish Power Energy Retail which stated that since the introduction of DCP 268, the old DUoS tariffs “LV Medium Non-Domestic”, “LV Sub Medium Non-Domestic” and “LV Network Domestic” are brought together under “Non-Domestic Aggregated” tariff. Due to this there has been an issue in Western Power Distribution’s (WPDs) area whereby, the DNO is using the same Line Loss Factor Classes (LLFC) in the new “Non-Domestic Aggregated” tariff as are being used for “LV site Specific”, “LV Sub Site Specific” and “HV Site Specific”. This is causing validation issues when Scottish Power Energy Retail are trying to quote prices for customers beyond 31/03/2021.
- 3.2 It was agreed that WPD will assign new LLFCs to “LV Medium Non-Domestic”, “LV Sub Medium Non-Domestic” and “HV Medium Non-Domestic” to rectify this issue.

4. Ofgem Update

4.1 Change Proposals:

- The Ofgem representative noted that there had been some DCUSA Change Proposals (CPs) that had been put on hold due to the current Access and Forward-Looking Charging Significant Code Review (SCR) and the Targeted Charging Review (TCR) work.

- It was also noted that DCPs 358 'Ofgem Targeted Charging Review Implementation: Determination of Banding Boundaries', DCP 359 'Ofgem Targeted Charging Review Implementation: Customers – who should pay?' and DCP 360 'Ofgem Targeted Charging Review Implementation: Allocation to Bands and Interventions', had been received by Ofgem.
- The Ofgem representative highlighted that Ofgem had published their decision to accept DCP 350 'Creation of Embedded Capacity Register' which will be implemented on 11th July 2020.

4.2 Access and Forward-Looking Charging Significant Code Review (SCR)

- It was noted that there will be a webinar held on the morning of the 16th July 2020 that will provide updates on the Access and Forward-Looking Charging SCR.

4.3 Targeted Charging Review Significant Code Review

- It was noted that there will be a webinar held on the afternoon of the 16th July 2020 which will provide an update on the TCR. The webinar will include an update on the banding that will be introduced as part of the TCR implementation. The matter of when industry will be receiving more information regarding the new LLFs was raised. It was noted that these are separate to the bandings and there is still work ongoing with Elexon to understand what the pinch points are regarding the LLFs.

5. BSUoS Task Force Update

- 5.1 The BSUoS Task Force representative noted that their work will be restarting week commencing 6th July 2020. BSUoS Task Force members will be reviewing their interim report and are aiming to consult on the report on 22nd July 2020 for 25 working days with a pre-consultation webinar will be being held on 20th July.

It was noted that there is a steer towards BSUoS being a demand only charge so there is a particular interest for Suppliers to respond to the consultation.

6. Targeted Charging Review Change Proposals Update

- 6.1 It was noted that DCPs 358, 359 and 360 are all awaiting consent from the Authority.
- 6.2 The Working Group for DCP 361 are finalising their Change Report and Legal Text before submission to the DCUSA Panel at their next meeting this month. It is expected that the CP will be published for voting on the 17 July 2020.

7. Ofgem's COVID-19 Open Letter

- 7.1 The Ofgem representative noted that they published a letter¹ on the 2nd June which extended payment terms due to the COVID-19 pandemic. There has been update in the scheme but Ofgem are still developing a plan of whether to publish the data and when this will be.
- 7.2 A further publication² was then issued on 16th June 2020 that states the expectations of industry from the 1st July being business as usual with COVID measures in place and a final publication³ issued on 30th June that provided an update on what Ofgem's priorities are going to be leading up to September 2020.

8. Actions

- 8.1 The DCUSA Panel is invited to:
- **NOTE** the contents of this paper.

Angelo Fitzhenry
Governance Services Business Manager

¹

https://www.ofgem.gov.uk/system/files/docs/2020/06/open_letter_on_relaxing_network_charge_payment_terms_1.pdf

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https://www.ofgem.gov.uk/system/files/docs/2020/06/update_on_regulatory_flexibility_framework_for_network_companies.pdf

³ <https://www.ofgem.gov.uk/publications-and-updates/ofgem-information-energy-licensees-coronavirus-covid-19-response-30-june-update>
