

Meeting Session	Open Session
Paper Reference	DCUSA_2020_0916_02_DCMDG Headline Report 31
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 31

1. Synopsis

- 1.1 This report sets out the headlines from the 31st DCMDG meeting held on 03 September 2020 via teleconference. The full minutes and associated papers are available on the DCUSA website.

2. Attendance

- 2.1 This meeting was chaired by Angelo Fitzhenry and technical secretariat support was provided by Elliot Firth.
- 2.2 A total of 18 industry participants dialled into the meeting.

3. Forward Work Plan

- 3.1 There were no new issues raised and the Change Proposals (CPs) tab was up to date.

4. Ofgem Update

Change Proposals

- 4.1 It was noted that all four TCR related Change Proposals (DCPs 358, 359, 360 and 361) are with Ofgem for decision.
- 4.2 Ofgem are currently working to publish a decision by the end of September, with the understanding that they will still require their own legal team to confirm the decisions, as they would need confidence that such decisions would be consistent with the related CUSC Modifications that are running about 4 weeks behind that of the DCUSA decisions.
- 4.3 Ofgem affirmed its understanding of the importance of publishing a decision by the end of September to be in line with the DCUSA process (15- and 18-month notice periods, for setting charges applicable from April 2022).

- 4.4 Ofgem is aiming to publish decisions on DCP 266 'The calculation and application of IDNO discounts' and DCP 313 'Eligibility Criteria for EDCM Generation Credits' by the end of September.
- 4.5 There is some work being undertaken on DCP 343 'Use of a nominated calculation agent for the calculation of the LV mains split', however this is currently de-prioritised.
- 4.6 DCP 343 'Use of a Nominated Calculation Agent for the Calculation of the LV Mains Split' is being worked upon. However, there was no update on the progress of this CP and when it will be published.
- 4.7 No further update was available on DCP 314 'Appropriate treatment of Bad Debt following appointment of Supplier Last Resort'.

5. BSUoS Task Force Update

- 5.1 The BSUoS Task Force representative highlighted that the BSUoS interim report was recently out for consultation and was closed the week prior to this meeting. It was noted that the Task Force had received 35 responses from industry and that work is now being undertaken to process these responses before submitting the final report to Ofgem.
- 5.2 Some of the initial responses included:
 - There was industry agreement that BSUoS should become a final demand charge.
 - A clear majority agreed on a requirement for two-years' notice period before a change is implemented.
 - The charge should be fixed based on forecasts rather than actual results, although the amount of notice required, and the length of the fix is still being discussed.
 - A majority of respondents favoured a £ per MWh approach over the existing approach which utilises the bandings from TCR, although it was noted that this is not the Task Force view, meaning that this matter is due to be discussed further.
- 5.3 The next step for the Task Force is to process this information and finalise recommendations to send to Ofgem. The Task Force is not planning to hold any further webinars or industry engagement before this submission unless there is a significant change in the meantime.

6. Targeted Charging Review Change Proposals Update

- 6.1 A member asked for confirmation from the DNOs of when they are expecting to publish customer banding information. It was noted that this is still being discussed with a process being established to provide this information to Suppliers. This work is currently underway, but it is not unanimous amongst the DNOs how and when exactly this will be achieved. It is the expectation that the information will all be provided by the end of November, although there is no set date. The legal text within the TCR mods states that the banding agent has until the end of October to allocate customers to the respective charging bands, but it is not expected that it will take the agent a whole month.

- 6.2 Another member queried the publishing rates for December, and whether all the LLFCs will be provided so that they can be mapped appropriately. Elexon has suggested that there will be large MDD updates coming soon and that the intention is to share both the customer list is shared in November and how this is to be mapped to the LLFCs.

7. Actions

- 7.1 The DCUSA Panel is invited to:
- **NOTE** the contents of this Paper.

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