

## Distribution Charging Methodologies Development Group (DCMDG) - Meeting 44

07 October 2021 at 10:00

Teleconference via Microsoft Teams

Attendees	Company
Ahna Taylor [AT]	SSE
Alan Fradley [AF]	SSE
Andrew Neves [AN]	Engage Consulting
Chris Ong [CO]	UK Power Networks
Christopher Butcher [CB]	Smartest Energy
Claire Campbell [CC]	SPEN
Dave Wornell [DW]	Western Power Distribution
David Fewings [DF]	Inenco
Donald Preston [DP]	SSEN
Donna Townsend [DT]	Energy Assets
Edda Dirks [ED]	SSE Generation
Finn Davies-Clark [FDC]	SSE Energy Solutions
George Moran [GM]	British Gas
Helen Tsang [HT]	EDF Energy
Karl Maryon [KM]	Haven Power
Laura Waldron [LW]	Engie
Lee Stone [LS]	EON
Lorna Murray [LM]	Scottish Power
Mark James [MJ]	UKPN
Mark Jones [MJo]	SSE
Pamela Howe [PH]	Northern Powergrid
Paul Farmer [PF]	Shell
Peter Tubey [PT]	Scottish Power
Rustam Majainah [RM]	OVO
Ryan Roberts [RR]	Energy Potential
Tom Chevalier [TC]	Power Data Associates
Tom Faulkner [TF]	Cornwall-Insight
Tony Collings [TCo]	Ecotricity
William Jago [WJ]	Npower
<b>Secretariat</b>	
Angelo Fitzhenry [AF] (Chair)	ElectraLink
Dylan Townsend (DT)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink

## 1. Administration

- 1.1 The Chair welcomed the DCMDG attendees to the meeting.
- 1.2 The Group reviewed the DCUSA “Competition Law Guidance” and agreed to be bound by this for the duration of the meeting.
- 1.3 Attendees reviewed the draft minutes from the last meeting, held on 02 September 2021 and the below feedback was provided:
  - To include within section 4.3 of the minutes – ‘Members discussed whether a Change Proposal was required to clarify the submission process for the declarations. The UKPN representative indicated that they are considering this’.
- 1.4 The group agreed to the above being added to the minutes and the Secretariat will circulate the updated minutes as v2.0.

Action  
DCMDG\_044/01:

The Secretariat to circulate an updated version of the DCMDG Meeting 43 to the group post-meeting as v2.0.

- 1.5 Attendees were informed of the Actions Log progress and that all actions were completed and up to date and is included as Attachment 1.

## 2. DCMDG Forward Work Plan and Issues Log

- 2.1 The group reviewed the DCMDG Forward Work Plan and Issues Log - the current version can be found as Attachment 2.
- 2.2 The Chair confirmed that there were no new issues.
- 2.3 The Chair gave a brief overview on the DCUSA Charging Methodology Change Proposals and External Activities within the Forward Work Plan.
- 2.4 DCUSA Charging Change Proposals
- 2.5 The Chair noted that there has not yet been an update as to when DCP 343 ‘Use of Nomination Calculation Agent for the Calculation of the LV Mains split’ will receive consent by the Authority. It was also noted that DCP 313 ‘Eligibility Criteria for EDCM Generation Credits’ will most likely not receive consent prior to the Access & Forward-Looking Charges SCR concluding.
- 2.6 External Activities
- 2.7 In regard to ‘Access and Forward-Looking Charges SCR’, the Chair stated that following the recent Charging Futures Forum held in September, it is now unlikely that any further activity will be undertaken on the DUoS reform elements until after Q1 of 2022.

## 3. Ofgem Update

- 3.1 The Chair noted that there was no Ofgem representation or update provided.
- 3.2 The group confirmed there were no questions for Ofgem to consider outside of the meeting.



## 4. TCR Implementation Update

- 4.1 The Chair asked the DCMDG if they had any questions, comments, or issues with the TCR implementation.
- 4.2 One member queried an action taken from the previous meeting (Action DCMDG\_043/01) around seeking an update from the TCR Implementation Steering Group regarding redundant capacity connections and the application of the TCR.
- 4.3 GM explained that the question regarding redundant capacity connections and the application of the TCR was directly related to backup supplies; it was stated that the TCR decision was clear in saying that backup supplies should not receive a residual charge and that the residual charge will be applied on a site-by-site basis.
- 4.4 The site is defined within the Connection Agreement which can be found below:
  - *1.13 The reference within paragraph 3.57(9) of the TCR Decision relating to redundant connection capacity is catered for within the definition of Single Site defined under DCP 359, i.e., there will only be one fixed charge because all the MPANs, including those providing such a provision, will be classed as an associated MPAN.*
- 4.5 It was also noted that where a DNO has a policy of only having one MPAN per connection agreement, the scenario where backup supplies with residual charges will occur. There is however currently one DNO that does not share this approach.
- 4.6 Due to this, members believe there is an inconsistency between what is in the DCUSA and what is in the TCR Decision if a DNO has one MPAN per connection agreement.
- 4.7 GM suggested a Change Proposal may be needed to resolve this scenario which would combine MPANs that are Single Sites.
- 4.8 Members agreed that there is still an outstanding question as to whether Sites with redundant capacity should be billed a residual charge or not, and this should be taken to the TCR Implementation Steering Group for further discussion prior to raising a potential Change Proposal.

Action  
DCMDG\_044/02:

Members to discuss whether Sites with redundant capacity should be billed a residual charge or not with the TCR Implementation Steering Group and bring back for further discussion at the November DCMDG meeting.

- 4.9 The Chair asked the group if there were any TCR related queries to discuss.
- 4.10 One member asked whether DNOs could send communications to Suppliers to confirm that all MPANs that they have been sent to them (by Suppliers) have been accepted and non-final demand. DNOs on the call confirmed that they have provided this confirmation to Suppliers.
- 4.11 The member who raised this query stated they will contact specific DNOs that confirmation is needed from if there are any outstanding MPANs that have not received a response.

- 4.12 It was also asked whether Primary and Secondary Site locations will be provided – One member confirmed that this information is not available on ECOES which has always been the case. This is only known if you have visibility of the Connection Agreement provided by the Customer.
- 4.13 EHV Sites and TCR Bandings
- 4.14 CB asked the group whether there is a more simplistic way to note the TCR bandings of EHV sites than what there is currently as it was noted that Excel spreadsheets that are available can become out of date.
- 4.15 A DNO representative explained that for the Charging Statement for 2023, two additional columns are to be added (in Annex 2 and Annex 6) which should help address which banding a customer falls into.
- 4.16 TCR Implementation Steering Group
- 4.17 One member of the group requested more information regarding the TCR Implementation Steering Group.
- 4.18 The Chair informed the group was created to implement the TCR decision by the Authority. This group meets on a weekly basis and includes DNO, IDNO, ESO, DCUSA and BSC representation to help develop the TCR related CPs and co-ordinate the practical requirements of implementation. Ofgem also attended the meetings in the stages to help progress the CPs and keep a watching brief on overall progress.
- 4.19 The TCR Implementation Steering Group is a closed group and therefore meeting minutes and related papers are not available to view.
- 4.20 Members raised concerns around not having the visibility of papers and minutes from this group as the benefits of doing this are not clear. The Chair agreed to take an action to take this query to the ENA who run this group for further information.

Action  
DCMDG\_044/03:

The Secretariat to discuss the DCMDG query around why the TCR Implementation Steering Group do not allow wider access to meeting papers and minutes with the ENA.

- 4.21 A member of the group queried whether the DCMDG can play more of a role in helping to resolve TCR issues as it is a standing item on the DCMDG agenda every month – The Chair agreed that the DCMDG is an appropriate place for industry members to raise and discuss TCR concerns that can then be relayed to the TCR Implementation Steering Group if further support is needed for resolution.

## 5. DNO Request to Disapply Notice Period for DUoS Charges

- 5.1 The Chair informed the group that the Authority decision is to not grant the request to disapply the current DUoS notice periods.
- 5.2 Ofgem acknowledge that there could be merit in reviewing the 15-month notice period going forward in order to improve cost reflectivity of DUoS charges and is something they could look to revisit as part of the wider review of DUoS.

5.3 The group noted the update.

## 6. Agenda Items for the Next Meeting

6.1 There were no new agenda items requested for the next meeting.

## 7. Any Other Business (AOB)

7.1 The Chair asked the group if there were any other items of business to be raised.

7.2 Market-Wide Half-Hourly Settlement (MHHS)

7.3 AN provided the Chair with a related MHHS Governance Framework update prior to the meeting – the Secretariat agreed to take an action to circulate this update to members of the group.

Action  
DCMDG\_044/04:

The Secretariat to circulate the Half-Hourly Settlement Governance Framework update to members of the group post-meeting.

7.4 AN explained that within this document, there is reference to the Design Advisory Group (DAG) which may be of interest to the group. AN stated that there is likely to be topics of interest discussed within his group, however, there does not seem to be any DNO/IDNO/Supplier volunteers from within this group.

7.5 DNO representatives within the group stated they have registered their interest for a number of the groups and suggested that this may have not been published yet.

7.6 The group stated that these communications have not been clear for DNOs/IDNOs/Suppliers and asked the Chair whether this can be raised within CACoP – the Chair agreed to raise this at the next CACoP meeting.

Action  
DCMDG\_044/05:

The Secretariat to raise the communications issue regarding Market-Wide Half-Hourly Settlement groups at the next CACoP meeting.

7.7 RM informed the group that there is a website <https://www.mhhsprogramme.co.uk/> where members can sign-up to the mailing list.

7.8 It was noted that Elexon have been appointed as the SRO Programme Manager and are currently setting up a team that will act responsible across codes.

7.9 Modelling for the Upcoming Charging Period

7.10 DT asked the group what model would be best to use for the upcoming charging period. There are currently two versions in circulation – a model that was developed for DCP 379 adding COVID-19 bad debt provision (Version 8), and another that was used in the previous year (Version 7).

7.11 Members suggested that Version 8 would have been needed if DNOs decided to change their charges from April 2021; although changes were not made, the changes may be needed in the future and therefore Version 8 may be more suitable.

- 7.12 DT agreed to take an action to circulate communications regarding the CDCM model Version 8 to the group (including timeline) for any additional feedback.

Action  
DCMDG\_044/06:

The Secretariat to send communications to the group seeking feedback around using the CDCM model Version 8 for the upcoming charging period (including timeline).

## 7.13 Supplier Failures

- 7.14 One member queried whether the number of Supplier failures could trigger the materiality threshold for SoLR claims – the group agreed that it may be too early to answer this query, however it was noted that Ofgem have not mentioned this in the recent decisions.

- 7.15 There were no further items of business raised.

## 8. Date of Next Meeting

- 8.1 Members of the group were issued a survey after the previous meeting to see when the best availability for future meetings would be if they were to change.

- 8.2 After viewing and discussing the results, the group agreed to hold the DCMDG meetings every third Thursday of the month at 10am, starting from November 2021.

Action  
DCMDG\_044/07:

The Secretariat to circulate updated DCMDG meeting invites for the third Thursday of every month.

- 8.3 The next DCMDG meeting will be held on 18 November 2021 via Microsoft Teams/Teleconference at 10am.

## 9. DNO Operational Matters

- 9.1 There were no DNO Operational Matters raised at this meeting.

## 10. Attachments

- Attachment 1 - DCMDG Actions Log
- Attachment 2 - DCMDG Forward Work Plan and Issues Log
- Attachment 3 – MHHS Programme Governance Framework Update