

Meeting Session	Panel (Open Session)
Paper Reference	DCUSA_2023_0816_07_DCMDG 65 Headline Report
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 65

1. Synopsis

- 1.1 This report sets out the headlines from the 65th DCMDG meeting held on 20 July 2023 via Microsoft Teams. The full minutes and associated papers are available on the DCUSA website.
- 1.2 This meeting was chaired by Dylan Townsend and technical secretariat support was provided by Melissa Kendall.
- 1.3 A total of 30 industry participants dialled into the meeting.

2. DCMDG Forward Work Plan and Issues Log

- 2.1 The group reviewed the DCMDG Forward Work Plan and Issues Log and the Chair provided the updates on the DCUSA Change Proposals that are contained in the Forward Work Plan and Issues Log.

3. Ofgem Decision on DCP 328

- 3.1 The Chair presented the key points raised by Ofgem in their decision letter for DCP 328 to the group. The key points can be found below:
 - A) *If a future modification is raised, we would encourage industry to consider the impacts on final consumer bills more thoroughly as this is something which was overlooked in DCP328.*
 - B) *Further, we consider that focus should be placed on ensuring that any future modification is relatively simple and efficient for parties to implement.*
 - C) *In the TCR Direction, we directed DNOs to propose appropriate residual charging arrangements for private networks. We believe there are some fundamental issues with the solutions proposed under DCP328 and we consider that element of the TCR Direction still needs to be met.*
- 3.2 Following Ofgem's decision, members noted that another change must be raised due to a DNO licence obligation to raise any changes to address the TCR Direction.

- 3.3 Although necessary, the Ofgem representative highlighted that this new change does not have to be raised immediately and has to be fit-for-purpose. Further noting that it is important that the principles are reviewed and discussed before diving straight in.
- 3.4 It was suggested that a sub-group/workshop to discuss how a new change can be taken forward – and the Secretariat agreed to set-up a DCMDG subgroup to discuss the next steps for resolving network charges for Private Networks with competition in supply.

4. Customer Contributions – DNO Update

- 4.1 The Chair noted that as outlined during the last meeting, one DNO is not currently aligned in their intended approach to the Customer Contributions input moving forward. The Chair suggested that as there was no real clear consensus in terms of whether a new change proposal should be raised to clarify the position or to resolve any of the other points around this item that it would be up to industry to decide if they wish to do so or not.
- 4.2 The Ofgem representative suggested that he'd be interested in holding a meeting with two members, either being from the DNO who has said they won't be aligning with the other DNOs and the member who has been vocal about this topic to better understand both the concerns and thought processes behind the diversion between approaches. The Chair suggested the Secretariat would be happy to set up a call to assist and that in general it might be beneficial for them to be involved, so as to keep up to date on the result of the discussion.

5. MHHS Update

- 5.1 DCMDG members were informed that a MHHS Change Request (CR) 027 is currently out for industry consultation, which closes on Wednesday, 26 July 2023 and which related to DCP 416 (i.e., DUoS e-billing).

6. Non-Final Demand Site Certification Within Price Control Period

- 6.1 The Chair presented a paper to DCMDG members which had been circulated prior to the meeting regarding Non-Final Demand Site Certification within Price Control Period, for further discussion.
- 6.2 The question asked is what happens if a Final Demand Site were to become a Non-Final Demand Site within the applicable price control period. Or in other words, where a Single Site which is a Final Demand Site has made changes to their site such that the Single Site would be in a position to submit a certificate to confirm that their site qualifies as a Non-Final Demand Site.
- 6.3 DCMDG members considered the thoughts set out in the paper and agreed overall that Non-Final Demand Sites should not be charged the residual component of DUoS charges and that this was clear from Ofgem's TCR decision. It was noted that members therefore agreed that if a site provides certification that would entitle them to the status of a Non-Final Demand Site and if distributors are moving those sites onto tariffs without the residual component then that shows that it is working as intended.

- 6.4 The Ofgem representative encouraged the group to raise any concerns relating to this or any other TCR related topics to Ofgem, as, whilst they made a clear decision, they are also keen to understand if some things are no longer working or that there are issues/blockers that they should be aware of. 7.4 The Ofgem representative went on to state that Ofgem would prefer to be ahead of any issues and be able to discuss these ahead of time rather than be kept in the dark or for modifications to be raised where it was the first they'd heard of an issue.

7. Accessibility of MPAN TNUoS Charging Band

- 7.1 The Chair presented the new DCMDG issue which had been recently raised relating to Accessibility of MPAN TNUoS Charging Band to the group for further discussion. It was noted that the solution description stated that it is required that a MPAN's TNUoS Charging Band (TCB) is reported/published in an accessible manner that allows suppliers to verify the correct TCB for an MPAN. It is suggested that the TCB is included on ECOES as a MPAN attribute similar to Measurement Classes, Meter Timeswitch Class and Profile Class or that a report be produced for suppliers stating MPAN TCB allocation, i.e., the backing data to the count sent to National Grid ESO in the P402.
- 7.2 DCMDG members confirmed that TNUoS charges are being charged to distribution Customers, and that the Customers have been allocated into Residual Charging Bands as per the requirements of the DCUSA.
- 7.3 It was noted that the issue comes about as a result of a previous BSC modification which had two options during its development. The two options had extremely different costs, with the chosen solution being a large amount less than the one that wasn't chosen. Members agreed that it was somewhat of a compromise and that this was a known outcome of that cheaper option being the chosen option. It was suggested that the requested solution would be in keeping with the option not taken forward and would therefore be extremely costly to implement.
- 7.4 One member informed the group that this topic had been raised recently by the ESO at the TCMF and they are looking to change their backing data to provide more detail to Suppliers to help with this issue.
- 7.5 After further discussion, the group agreed that this issue may not be able to be resolved within the DUoS space. It was noted that background work is happening, but it was agreed that this issue will not be discussed further within the DCMDG.

8. Date of Next Meeting

- 8.1 The next DCMDG meeting will be held on 17 August 2023 via Microsoft Teams/Teleconference.

9. Actions

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

Dylan Townsend
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