

# Distribution Charging Methodologies Development Group (DCMDG) - Meeting 68

19 October 2023 at 10:00

Teleconference via Microsoft Teams

Attendees	Company
Ahna Taylor [AT]	SSE
Alan Fradley [AF]	SSE
Alice Cockshutt [AC]	Engie
Andrew Malley [AM]	Ofgem
Charles Mott [CM]	SSE
Chris Barker [CB]	ENWL
Chris Ong [CO]	UKPN
David Fewings [DF]	Inenco
Donna M Jamieson [DJ]	Energy Assets Ltd
Diandra Orodan [DO]	BU-UK
Dave Wornell [DW]	National Grid
Dimuthu Wijetunga [DW]	Shell
Edda Dirks [ED]	SSE Generation
Eleanor Suter [ES]	BU-UK
Gareth Evans [GE]	Waters Wye
George Moran [GM]	British Gas
Georgia Preece [GP]	NPg
Ian Chadwick [IC]	UKPN
Harrison Hunter [HH]	Cornwall Insight
Kyran Hanks [KH]	Waters Wye
Mark Fletcher [MF]	Shell
Mark James [MJ]	UKPN
Niall Coyle [NC]	EON
Pamela Howe [PH]	NPg
Paul Farmer [PF]	Shell
Ryan Farrell [RF]	NPg
Sally Musaka [SM]	SSE
Sara Owen [SO]	Eclipse Power Networks
Thomas Holderness [TH]	Ofgem
Tony Collings [TC]	Ecotricity
Victoria Burkett [VB]	SSE

Emma Clark [EC]	SSEN
Rustam Ellis-Majainah [REM]	OVO
Zviko Chigwedere [ZC]	St-Clements
<b>Secretariat</b>	
Alysson Peña [AP] (Technical Secretariat)	ElectraLink
Dylan Townsend [DT] (Chair)	ElectraLink
<b>Apologies</b>	
Joe Boyle [JB]	SPEN
Kara Burke [KB]	NPg

## 1. Administration

- 1.1 The group reviewed the DCUSA “Competition Law Guidance” and agreed to be bound by this for the duration of the meeting.
- 1.2 Attendees reviewed the draft minutes from the meeting held on 21 September 2023 and agreed they were an accurate reflection of the discussions held.
- 1.3 The Chair provided updates on the open actions. All updates can be found in Attachment 1.

## 2. Introduction

- 2.1 The Chair welcomed the DCMDG attendees to the meeting.

## 3. DCMDG Forward Work Plan and Issues Log

- 3.1 The group reviewed the DCMDG Forward Work Plan and Issues Log - the current version can be found as Attachment 2.

### DCMDG Issues

- 3.2 In relation to Issue 9 ‘Application of fixed DUoS charges on a per-MPAN Basis’, the Chair agreed to follow-up with the proposer post-meeting and have an update for the next DCMDG meeting (action previously noted).

### DCMDG-Related Change Proposals:

- 3.3 The Chair provided members with updates on the DCUSA Charging Change Proposals, where it was noted that the latest position on changes with the Authority for decision would be provided with the minutes as updates had been provided during the DCUSA Panel meeting the day prior.

**ACTION 68/01: The Secretariat to include updates for changes currently with the Authority for decision based on the updates provided to the DCUSA Panel in the minutes for this meeting (DCMDG 68 Minutes).**

**Post Meeting Note:** The following was the update from Ofgem during the last Panel meeting:

- *DCP 343 'Use of a nominated calculation agent for the calculation of the LV mains split': the Estimated Decision Date (EDD) had changed to 30 November 2023;*
- *DCP 392 'Charging of Third Party DNO works to transmission connection users': the EDD had been postponed until 22 November 2023; and*
- *DCP 411 'Charging De-energised sites': the EDD had changed from 30 November 2023 to 31 January 2024 due to additional consultation being carried out with stakeholders, seeking clarity about existing responses.*

## **DCMDG External Activities:**

### Connections Reform

3.4 The Chair informed the group that there was an action captured previously regarding requesting a representative from the ENA attend the DCMDG to provide an overview of the work being carried out. However, the Chair explained that as the ENA had recently held a webinar to provide an update, which some members from the DCMDG attended, there seemed little value in completing that action and instead proposed to capture any relevant information under this item in the log.

### FSO Implementation

3.5 The Chair informed the group that two consultations had been issued recently in regard to a number of licence updates as well as a call for volunteers and that these will be captured in the log under this item.

## **4. Ofgem Update**

4.1 AM provided the group with the below Ofgem updates:

- A Charging Futures Forum (CFF) session is due to be held on 31 October 2023, where it is proposed for updates regarding a number of workstreams be provided. It was noted that people can still register to join the session.
- It was noted that a recent publication made mention of a Call for Input relating to standing charges coming down the line soon, but that it would be more focused on the retail side, however, members were invited to contact Ofgem if there is anything in the publication that they wish to discuss.
- A publication will be issued within the coming days which will be of interest to members and will be discussed during the CFF discussion on 31 October. AM noted that members will know what he's talking about when it is published and encouraged members to raise any thoughts with Ofgem once they see it.

- Ofgem would like to hear from people affected by how TCR bands have been assigned to MPAN portfolios for TNUoS charging as there had been some issues raised to Ofgem from smaller suppliers with very defined portfolios. AM noted that he'd appreciate if any other Suppliers could contact him who have noticed inconsistencies in the number of MPANs assigned to charging bands for their portfolios.

4.2 DCMDG members noted the Ofgem update.

## 5. Private Networks Subgroup Update

5.1 The Chair shared with the members an update on the last subgroup meeting held 09 October 2023. It was noted that the sub-group had agreed with a suggestion that an RFI be issued to industry in order to obtain a better understand of the numbers and types of sites in question. The Chair explained that the RFI is currently being developed by the Secretariat as well as further background research to identify potential contacts who may wish to respond to such an RFI.

5.2 Members agreed that they'd appreciate a link to the minutes of the last meeting and an action was taken to provide it with the minutes of this meeting (see below).

**ACTION 68/02: The Secretariat to include DCMDG Subgroup 01 – Meeting 02 Minutes to the DCMDG 68 Minutes.**

5.3 Post meeting minutes can be found on the DCUSA Website.

- [DCMDG Subgroup 01 – Meeting 02](#)

## 6. ENA Update on Connections Related Works

6.1 The Chair reiterated the point made under paragraph 3.4 above related to the action to pursue an ENA representative to provide an update at the next DCMDG meeting and that

6.2 A member who attended the ENA webinar shared information sources for the members to explore further.

**ACTION 68/03: The Secretariat to include ENA links shared to the DCMDG 68 Minutes.**

6.3 More information can be found in the following links:

- [Improving and accelerating customer connections – Energy Networks Association \(ENA\)](#)
- [ENA SCG Battery Storage Solutions – Ofgem letter of support | Ofgem](#)
- [Battery Storage Connections – Tactical Solutions Guidance Notes – Energy Networks Association \(ENA\)](#)

## 7. MHHS Update

7.1 The Working Group noted that there were no further updates this month.

## 8. Notification of Updated Charging Statement Addendums

- 8.1 The Chair presented a paper to the DCMDG titled 'Notification of updated Charging Statement Addendums'. It was noted that the paper provided members with an overview of an enquiry received by the DCUSA Code Administrator related to whether there might be a way to receive notification of updates to the addendums to the charging statements issued by DNOs/IDNOs outside of checking websites every so often.
- 8.2 The Chair invited the members to share input.
- 8.3 Members agreed that there should be a process developed to aid the distribution of the communications around the updates, this would benefit suppliers in being able to update their billing systems to reflect changes when it comes to billing customers.
- 8.4 Some suggestions put forward by members were:
- One DNO member explained that what they have is a newsletter that is issued every two weeks, which highlighted when things are updated on their website and so anyone can sign up to that. In addition to that, they explained that they do send an e-mail out to the customer and the customers Supplier so they know at the time.
  - Another member agreed with the premise of issue and noted their view that it would be really useful if they could get some advance notice or at least after the DNO has updated their charging statement, so they know something has changed so that they can update their systems to reflect that change. The member went on to explain that their ideal solution would be where they can sign up to a common mailing list so regardless of which DNO has done the changes, anybody who has subscribed to that mailing list gets that update as otherwise they'll have to sign up to quite few mailing lists for each DNO.
  - A DNO member pointed out that one option would be for the DNOs to utilise the DCUSA Contract Managers list available on the DCUSA website as way of communicating when updates have been made. The Chair noted that this would mean that it would fall onto the contract managers to send that information around their businesses accordingly, so that the right teams were informed.
  - It was suggested that the alternative would be for every Supplier to sign up to DNOs mailing lists, which would then need to be maintained by the DNOs which could become problematic when personnel changes occur.
  - Another DNO member gave their perspective which followed on from some similar conversations with a couple of parties recently, who were advised to sign up to their mailing lists. Their perspective was there may be an argument for the updated statements to be held centrally on the DCUSA or ENA websites, so everybody can go to one portal to see them. However, the parties they recently had conversations with were really looking to be told when something had been updated and so a central portal would only be useful to them if communications were also issued as and when updates were provided. It was noted that would mean that whoever was hosting the documents

might be sending something out to every couple of days at some points and then not for 6 months due to the sporadic nature of the updates.

- A further option was stated as being for a centrally managed distribution list via the DCUSA Code Admin or the ENA and so Suppliers could sign up to that list and then that list could be made available or issued to DNOs for them to use when issuing updates. This suggestion would mean that a Supplier or other interested party has only got to notify one point of contact that they want to be signed up to this list.
- The Chair explained that the DCUSA Code Administrator is currently progressing with Phase 3 of the DCUSA digitalisation journey and that one element of this phase will be having a more personalised service, with the ability for users to indicate that they'd want updates relating to certain things and so there may be an option of building something in as part of that.
- Another member noted their view that a central location where all the charging statements are uploaded would be very beneficial. It would mean only needing to go and look in one place rather than go to the 14 areas of the various DNO websites. In addition to that, if there was an option to subscribe to receive an e-mail update once a new file gets added to that location, then they would find that to be very helpful.

8.5 The Chair suggested that these options be set out for consideration during the next meeting and in the intervening period, that he'd have a conversation internally about whether there is something that can be done as part of the digitalisation work that is currently underway.

**ACTION 68/04: Notification of Updated Charging Statement Addendums** - The Chair to set out potential resolutions as discussed during DCMDG 68 and present this back to DCMDG members during the next DCMDG meeting.

## 9. DUoS Charges for Phased Capacity Sites

9.1 The Chair presented a paper to the DCMDG titled 'DUoS Charges for Phased Capacity Sites'. It was noted that the paper provided the members with an overview of an enquiry received by the DCUSA Code Administrator related to establishing the DUoS charges for Phased Capacity Sites and how to interpret Paragraphs 1.86 to 1.90 of Schedule 22. The enquiry seeks to know what view the members have on the applicability of Phased Capacity Sites for IDNO connections or and how this relates or not to Capacity Ramping for LDNOs and the Paragraph 1.51 of Schedule 16 of the DCUSA.

9.2 The Chair explained the questions raised regarding paragraph 1.88 and 1.89 of Schedule 22 and invited the members to share input.

9.3 A member suggested adding an example to help users interpret the text better. The suggestion was that the inclusion of a simple table showing the phasing alongside band across time is one way. Another member suggested that the below changes was also a way to add clarity.

*1.89 By agreeing a phased Required Capacity, the Customer is committing to pay, from Energisation of the connection, Use of System Charges based upon the residual*

*charging band allocated in accordance with DCUSA Schedule 32 (Residual Charging Bands) based on the Required Capacity ~~(for that ramping phase)for the complete development~~. For example, if the connection will be ramped from 1MVA to 5MVA over 10 years, the Customer is committing to pay Use of System Charges for a 5MVA connection in line with the ramped profile (i.e. when the capacity is ramped to 5MVA in year 10).*

- 9.4 It was agreed that this item would be retained on the agenda and brought back to the DCMDG with the proposed changes for further discussion.
- 9.5 The Chair indicated that Change Proposal (CP) could be raised to address this issue once there was an agreed way forward.

**ACTION 68/05: DUoS Charges for Phased Capacity Sites** - The Chair to draft potential text changes as discussed during DCMDG 68 and present this back to DCMDG members during the next DCMDG meeting.

- 9.6 The members had no further comments.

## 10. Impacts on LLFs due to Annual Allocation Review

- 10.1 The Chair presented a paper to the DCMDG titled 'Impacts on LLFs due to Annual Allocation Review'. It was noted that the paper provided the members with an overview of an enquiry received by the DCUSA Code Administrator related to distribution loss volumes as a result of the re-allocation of Final Demand Sites as part of the Annual Allocation Review process introduced by DPC 389. The enquiry seeks to understand the view of the members as to what will be needed in terms of the LLFs as a result of the re-allocation of sites to charging bands.
- 10.2 The Chair elaborated on the raised enquiry received and asked the members to help clarify an answer.
- 10.3 While the LLFC will change reflecting the different allocation to the tariff charges, it will be an LLFC with the same voltage level. So it won't affect the actual Line Loss Factor number (e.g., 1.102 or whatever it may be), because that will be the same for the new LLFC that the customer is allocated to.
- 10.4 The point being made was that the voltage levels won't be changing as the changes won't be for sites moving from non-half hourly to half hourly as a result of this. It was therefore noted that the process relates to sites moving between the charging bands within the same voltage level (i.e., a non-half hourly non-domestic site moving between changing bands 1 and 4 and a half-hourly non-domestic site moving between changing bands 1 and 4 and with neither changing the voltage).
- 10.5 Members weren't sure whether there are different profiles now for the different bands and noted that if there different profiles then that may cause a change the settlement side of things, although it was still believed that the losses applied to those profiles wouldn't change.

- 10.6 Members considered that profiles for half hourly sites shouldn't be affected because they're billed half hourly but for non-half hourly sites, there was less certainty of whether Elexon might have different profiles say sites in band 1 as compared to sites in band 2. It was noted that if Elexon did have different profiles applicable to non-half hourly sites, then it is possible that something might be seen. However, it was also noted that non-half hourly sites are aggregated together and so those sites may also note see an impact.
- 10.7 One member, noting the specific wording of the enquiry reasoned that as the query specifically references sites, there shouldn't be an issue.
- 10.8 Members noted that to answer whether there are different profiles, that would be something for Elexon to provide as it relates to settlement volumes.

**ACTION 68/06: Impacts on LLFs due to Annual Allocation Review** - The Chair to reply to the person who had sent enquiry through to the DCUSA Code Admin team and explain the outcome of the DCMDG discussions.

- 10.9 The members had no further comments.

## 11. Agenda Items for the Next Meeting

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- 11.1 The Working Group agreed to discuss the below items at the next meeting:

- Update on Connections Related Works
- MHHS Update
- Private Networks Subgroup Update
- Notification of Updated Charging Statement Addendums

- 11.2 There were no additional items requested to discuss at the next DCMDG meeting.

## 12. Any Other Business (AOB)

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- 12.1 The Chair asked for any other items of business.

- 12.2 There were no further items of business raised.

## 13. Date of Next Meeting

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- 13.1 The next DCMDG meeting will be held on 16 November 2023 via Microsoft Teams / Teleconference.

## 14. DNO Operational Matters

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- 14.1 One DNO Operational Matter was raised:

- 14.2 Discussions were held between DNO members only, and therefore details will not be included within these minutes.

## 15. Attachments

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- Attachment 1 - DCMDG Actions Log
- Attachment 2 - DCMDG Forward Work Plan and Issues Log