

Distribution Charging Methodologies Development Group (DCMDG) - Meeting 75

16 May 2024 at 10:00 via Microsoft Teams

Attendees	Company
Andrew Malley [AM]	Ofgem
Anha Taylor [AT]	SSE
Charles Mott [CM]	SSEN
Chris Ong [CO]	UK Power Networks
Dave Wornell [DW]	National Grid Electricity Distribution
David Fewings [DF]	Inenco
Diandra Orodan [DO]	BU-UK
Dimuthu Wijetunga [DW]	Shell
Donna Jamieson [DJ]	Independent Distribution Connection Specialists
Edda Dirks [ED]	SSE Generation
Georgia Preece [GP]	Northern Powergrid
Harrison Hunter [HH]	Cornwall Insight
Ian Chadwick [IC]	MUA
James Knight [JK]	British Gas
Joe Boyle [JB]	SPEN
Kyran Hanks [KH]	Waters Wye
Laura Waldron [LW]	Engie
Lee Stone [ST]	EON
Mark Fletcher [MF]	Shell
Niall Coyle [NC]	EON
Rustam Ellis-Majainah [REM]	OVO
Ryan Farrell [RF]	Northern Powergrid
Simon Vicary [SV]	EDF
Tony Collins [TC]	Ecotricity
Victoria Burkett [VB]	SSE Energy Supply
Zviko Chigwedere [ZC]	St Clements
Secretariat	
Dylan Townsend [DT] (Chair)	ElectraLink
Alysson Peña [AP] (TechSec)	ElectraLink
Apologies	

Tony Collings	Ecotricity
Emma Clark [EC]	SSEN

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 There were two apologies noted for this meeting.
- 1.3 Attendees reviewed the draft minutes from the meeting held on 28 March 2024 and the working group members agreed that these were an accurate summary of the meeting.
- 1.4 The Chair provided updates on the open actions contained in the actions log which was issued with the meeting papers.
 - Regarding Action 09/06, The Chair noted that this is the April yearly rolling action.
 - Regarding Action 71/02, The Chair noted that ESO has been contacted prior to the DCMDG 75 meeting and is yet to respond and clarify the missing information regarding the banning allocation for the transmission demand residual. This action will remain open.
 - Regarding Action 72/03, The Chair confirmed that Ofgem’s decision was to reject DCP 411 and this was published Friday, 19 April 2024. This action can be closed.
 - Regarding Action 72/04. The Chair reassured the DCMDG members that an email will be issued to contract managers before the DCMDG 76 meeting. This action will remain open.
 - Regarding Action 74/01. The Chair informed the DCMDG members that more time is needed to complete this action and it will be done before DCMDG 76 meeting. This action will remain open.
 - Regarding Action 74/02. The Chair presented during the DMCDG 75 meeting the updates added to the External Activities Log. These items covered were: DUoS SCR, Energy Code Reform, Strategic Transmission Charging, FSO Implementation and Open Letter on Regulatory Arrangements for IDNOs. This action can be closed.
- 1.5 Members had no further comments.

2. Introduction

- 2.1 The Chair welcomed the DCMDG attendees to the 75th DCMDG meeting.

3. DCMDG Forward Work Plan and Issues Log

3.1 The group reviewed the DCMDG Forward Work Plan and Issues Log, during which the following points were covered:

DCMDG-Issues:

- Regarding the sole issue in the issue log, the Chair reassured members that he intends on reaching out the person who raised it to confirm whether they are comfortable that it is closed or if something else needs to be done.

DCMDG-Related Change Proposals:

- With respect to DCP 325, The Chair noted that there have been no new movements at this stage but that this should change once DCP 421 has been finalized.
- With respect to DCP 388, it was noted this Change Proposal is on hold while a BSC modification is raised, so that a solution can be progressed for both the DCUSA and BSC at the same time.
- With respect to DCP 411, this change has been rejected by the Authority, this was published Friday, 19 April 2024.
- With respect to DCP 412, The Working Group plan to meet again in April to further develop the second consultation documents with the aim to issue to send before the end of May. A member of this committee shared during the meeting that a realistic date is June, and that other processes could postpone the current timeline.
- With respect to DCP 420, the next Working Group meeting was to be held in the afternoon following the DCMDG meeting, where the intent of the Working Group is to continue discussing options for the best way forward.
- With respect to DCP 421, it was noted that the updated models had been provided, and these have been tested by the DNOs, who have confirmed that the updates are fit for purpose. The Change Report will now be issued for approval during the June Panel meeting.
- With respect to DCP 423, it was noted that the updated models had been provided and testing is currently ongoing, a consultation is to be issued once completed.
- With respect to DCP 424, this change proposal has been delayed due to a request by Ofgem for further impact analysis on the proposed BSC solution (P441 - Creation of Complex Site Classes). The DCP 424 consultation is now estimated to be released in Q2 2024.
- With respect to DCP 425, the Change Report was issued for voting following the March Panel meeting for a period of three weeks. The outcome of the Party voting was a recommendation that Ofgem Accept DCP 425 and the Change Declaration was issued to Authority for approval.

- With respect to DCP 433, the Working Group has submitted the Change Report to the May Panel, this has been approved and circulated for voting.
 - A DCMDG member noted that it would be beneficial to have a ‘lessons learnt’ session to understand if things could have been done differently. Specifically, with regard to a call for consistency in processes in the instance that this change is approved. It was noted that the change and processes being discussed were related to the annual allocation review process set out in Schedule 32. Some members stated that during the previous submission window, what distributors were providing to suppliers were different, even though the legal text was quite clear.
 - Some DNO members pointed to the fact that they had used a template, to provide this information, which had been based on the original charging band allocation template. Members agreed that if this or something like it could be agreed, without the need for a change to be raised, then that would be an ideal scenario.
 - Some members showed interest in being part of the sub-group, even if only a short one off meeting was needed to agree the format of the template and there were various suggestions on what the template should look like.
 - The Chair agreed that they would set up a sub-group as requested.
 - DNO members agreed that that once the discussion had been had, they would seek to confirm agreement to align their submissions with the approach agreed.

ACTION 75/01: The Secretariat to set a Sub-Group for a discussion on the process for the annual allocation review and specifically what distributors were providing to suppliers and to see if agreement can be reached on the use of a template for this purpose.

- With respect to DCP 437, this change was submitted to the Panel for Initial Assessment during their February meeting. The Panel approved for DCP 437 to progress to the Definition Phase and for a Working Group to be set up in order to refine the proposed solution, however, Ofgem noted that the CP may impact upon their DUoS SCR and so was placed on hold until this impact was assessed. During the March Panel meeting, Ofgem confirmed that whilst they do believe there to be an interaction, that they are happy for DCP 437 to proceed. Invitations to join the Working Group have been issued and the first meeting is scheduled for 13 May. A consultation is to go out soon.
- With respect to DCP 438, The Working Group met in April and agreed to issue a consultation. The consultation was issued on 07 May, with responses due by 29 May 2024. The second Working Group meeting is scheduled to be held on 04 June 2024 to review responses.
- With respect to DCP 439, the first Working Group meeting was held on 08 May 2024, at which members carried out an initial review of the Change Proposal and reviewed the

solution. A second meeting has been scheduled for 20 May 2024, for members to review the draft consultation.

New DCUSA Change Proposals of interest for DCMDG members:

- DCP 440 ‘Consuming “de-energised” sites, Where an MPAN is marked as “de-energised” in the registration system but there are actual meter readings, it is clear that the MPAN is not actually de-energised. For NHH/Supercustomer/Aggregated DUoS charges, settlements includes actual consumption recorded against de-energised MPANs and counts the MPAN. However, the incorrect flagging of an MPAN means that site-specific charges are avoided, under the CDCM, unless the supplier corrects the status. Invites have gone out to join this Working Group.

Legal Text Overlap Tracker:

- The Chair noted that more time was needed to update this section of the document.

DCMDG External Activities:

3.2 The Chair informed to the group of that the relevant active external activities and that an update was made to the:

- DUoS SCR;
- Energy Code Reform;
- Strategic Transmission Charging;
- FSO Implementation; and
- Open Letter on Regulatory Arrangements for IDNOs

3.3 Members noted the DCMDG Issues Log & Forward plan.

4. Ofgem Update

4.1 Ofgem shared that towards the end of June an update would be published regarding the two DUoS problem statements that were put up on CFF pages of the ESO’s website.

4.2 Ofgem is currently focussing on solving the existing issues that had recently been identified and discussed and regarding (i.e., the issues that led to the need for derogations that were produced towards the end of the year in 2023), ensuring that the methodologies/models are producing solutions and positive outcomes.

4.3 Ofgem will be requesting briefs on mods in place, this is to ensure that the connections team can deliver action plans.

4.4 Ofgem continues the development of TCR review work that is going through the post implementation review.

4.5 Ofgem is looking at external costs that come through network charges, e.g. SoLR and Bad Debt.

- 4.6 Ofgem explained that the DUoS SCR work will be ongoing as this is helpful and no consideration of terminating this work has been made thus far, an official document will be published in June to clarify Ofgem's intent in this space.
- 4.7 DCMDG members raised concerns regarding continuing to leave this open as it can affect the possibility of raising small changes as the industry is under the understanding that something is being developed, however nothing is being put in place to create certain changes. Members expressed their concern regarding solutions being delayed.
- 4.8 There were no further comments from members.

5. Member Questions

- 5.1 The Chair presented the DMDG members with a paper covering DUoS charging issues raised by a supplier.
- 5.2 Firstly, there are two MPANS on the same site but not aggregated and there is a question as to whether they should receive a single standing charge. There is another set of two MPANS on a different site that is being charged two fixed DUoS charges.
- 5.3 It was noted that as per the legal text definition of Single Site, the customer needs to be on a single connection agreement, which if they are not they would then receive two charges.
- 5.4 Secondly, a clarification is being sought regarding if the de-energised sites are excluded from the MPAN counts that are provided by DNOs to National Grid ESO for TNUoS residual charging purposes and whether the energization status is factored in the MPAN counts.
- 5.5 A DNO member confirmed that these are excluded for the P402 report, other DNOS confirmed that this was true for them as well.

6. MHHS Update

- 6.1 The DCMDG noted that there were no further updates this month.

7. Private Networks Subgroup Update

- 7.1 The Chair explained that there have been no recent updates.
- 7.2 Members noted the Private Networks Subgroup Update.
- 7.3 There were no further comments from members.

8. Any Other Business (AOB)

- 8.1 One member has submitted a query to add an item to raise a question regarding DCP 414 'Transitional Protection for NHH CT Customers affected by regulatory change', and if there would be more information being provided from the suppliers.
- 8.2 It was noted that this work is yet to be started and that the requirements is to complete until the M14 milestone, which is October 2026, therefore the focus is other priorities at hand.
- 8.3 The Chair asked if there were any other business.

8.4 No other business was raised during the meeting.

9. Agenda Items for the Next Meeting

9.1 The current standing items on the agenda.

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

10. Date of Next Meeting

10.1 The next DCMDG meeting will be held on 20 June 2024 via Microsoft Teams / Teleconference.