

DCP 438 Working Group Meeting 01

22 April 2024 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Babatunde Olukotun [BO]	National Grid
Chris Ong [CO]	UKPN
Emma Clark [EC]	SSE
Kara Burke [KB]	NPg
Mark Bellman [MB]	ENWL
Code Administrator	
Craig Booth [CB]	Chair
Hannah Proffitt [HP]	Secretariat

1. Administration

Recording

- 1.1 The Chair asked members if they were comfortable for this Working Group to be recorded. No members objected to this request. The purpose of this recording is purely to aid the Technical Secretariat in producing an accurate report of the meeting. The recording will be deleted after 15 Working Days.

Apologies

- 1.2 Apologies are noted in the table above.

Competition Law Guidance and Terms of Reference

- 1.3 The Working Group reviewed the "Competition Law Guidance" and "Terms of Reference". All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting and agreed to the Terms of Reference.
- 1.4 The Chair highlighted section 14 within the Terms of Reference which is specific to this Change. The Chair note that the DCUSA Panel have requested the Working Group consider a specific implementation date for the change.

2. Purpose of the Meeting

- 2.1 The Chair advised that the purpose of the meeting was to provide an overview of the Change Proposal and to decide on next steps.

3. Overview of DCP 438

- 3.1 The Chair invited the Proposer of the Change Proposal to provide an overview.
- 3.2 The Proposer advised that the Change seeks to update the rate of return as the previous legal text is out of date. The Proposer advised that there is a need to update the legal text so it does not refer to the ED1 price control period as it is no longer relevant.
- 3.3 The Working Group agreed with the intent of the change.

4. Review and Discussion of Change Proposal

- 4.1 The Chair advised that both the DCUSA General Objectives and the Charging Objectives are currently listed in the Change Proposal and asked members which they felt were appropriate. The Working Group agreed it should be the Charging Objectives.
- 4.2 The Working Group went on to agree that the change meets objectives 1, 2, 3, 4 and 6.
- 4.3 The Working Group reviewed the legal text. KB suggested several other sections that were also relevant and the Chair added these to the legal text and made appropriate amendments.
- 4.4 One member asked which comes first, the Price Control Financial Model (PCFM) or the Price Control Financial Handbook (PCFH) and questioned whether there will be points when the handbook has been updated but the model has not. Therefore it might not be up to date. Another member noted that the numbers are in the PCFM rather than in the PCFH so if the PCFM hasn't been updated, they would not be able to update the numbers anyway.
- 4.5 The Chair agreed to draft the consultation after the meeting and issue it to members via email for review.
- 4.6 The Chair advised that the DCUSA Panel has asked the Working Group to consider a more specific date for implementation.
- 4.7 The Proposer suggested October 2024 as this is two months prior to charge setting which occurs in December. Therefore the change could be in place for the 2026/2027 charging year.
- 4.8 Members agreed with the Proposer but questioned why the DCUSA Panel are requesting a specific date, noting that as a Part 1 matter, Ofgem's approval will be required. Members felt that an implementation of 'Next issue of DCUSA following approval' was therefore appropriate.
- 4.9 The group agreed to include in the consultation that their preference is for the change to be implemented no later than the November 2024 DCUSA standard release for use in the 2026/2027 charging year.

- 4.10 One member highlighted that the 15 month notice between one price control and another could affect the availability of the PCFM and the timing of when Ofgem would have that available. The member noted that during the transition from ED1 to ED2, the PCFM was not available for use in the first year of ED2.
- 4.11 The Working Group considered whether this would need to be reflected in the legal text and whether the Authority would need to issue a direction to DNOs if this scenario were to occur. The group agreed to include a question in the consultation.

5. Review/Update Work Plan

- 5.1 The Chair agreed to draft the consultation following the meeting and to issue this to members for review.

Action 01/01 – The Chair to update the legal text and draft the consultation document, and issue these to Working Group members for review and feedback.

- 5.2 The Working Group agreed for the final version of the consultation to be issued to industry on the 7 May 2024 with responses due 29 May 2024.
- 5.3 The Working Group agreed to meet again on 4 June 2024 to review consultation responses.

6. Any Other Business

- 6.1 No other business was raised.

New and Open Actions

Action Ref.	Action	Owner	Update
01/01	The Chair to update the legal text and draft the consultation document, and issue these to Working Group members for review and feedback.	The Chair	New action.

Closed Actions

Action Ref.			Update