

Meeting Session	Panel (Open Session)
Paper Reference	DCUSA_2024_0619_06_DCMDG 75 Headline Report
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 75

1. Synopsis

- 1.1 This report sets out the headlines from the 75th DCMDG meeting held on 16 May 2024 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 the technical secretariat for the meeting was Alysson Pena.
- 1.3 A total of 26 industry participants dialled into the meeting.

2. Forward Work Plan and Issues Log

- 2.1 The group reviewed the DCMDG Forward Work Plan and Issues Log, during which members discussed a suggestion with respect to DCP 433, which was that some members might find it 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 seemed quite clear.
- 2.2 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.
- 2.3 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.
- 2.4 The Chair agreed that they would set up a sub-group as requested.
- 2.5 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.

3. Ofgem Update

- 3.1 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.
- 3.2 Ofgem is currently focussing on solving the existing issues that had recently been identified and discussed (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.
- 3.3 Ofgem is continuing to progress post implementation TCR review work, including providing input into the ongoing code modifications.
- 3.4 Ofgem is looking at external costs that come through network charges, e.g. SoLR and Bad Debt.
- 3.5 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.
- 3.6 DCMDG members raised concerns regarding continuing with the SCR open, given the length of time it has already been open and because it has the effect of blocking the raising of changes by industry. It was noted that this is because industry tends to be of the understanding that Ofgem would not allow such changes to be developed, however Ofgem confirmed that industry can bring forward changes and Ofgem will assess whether there is an impact or not and so suggested anyone looking to raise something should still do so.

4. Member Questions

- 4.1 The Chair presented the DMDG members with a paper covering DUoS charging questions raised by a supplier. The Supplier who raised the two questions gave further explanation to members.
- 4.2 The first question was on the topic of sites with two MPANS which are being charged twice and whether this was correct. Members noted that the TCR definition of 'Single Site' would be the best place to start in terms of assessing eligibility for two or more MPANs receiving a single charge.
- 4.3 The second question was 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. A DNO member confirmed that these are excluded for the P402 report, other DNOS confirmed that this was true for them as well.

5. Any Other Business (AOB)

- 5.1 One member questioned what the next steps are now that DCP 414 'Transitional Protection for NHH CT Customers affected by regulatory change', has been implemented. Specifically, the member was wanting to know if there would be more information being provided from the Suppliers.
- 5.2 It was noted that this work is yet to be started and that the requirement is to complete by M14 milestone, which is October 2026, therefore the focus is other priorities at hand.

6. Date of Next Meeting

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

7. Actions

7.1 The DCUSA Panel is invited to:

- **NOTE** the contents of this Paper.

Dylan Townsend
Governance Delivery Manager