

# DCP 325 Working Group Meeting 16

12 December 2024 at 10:00am

Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Chris Ong [CO]	UKPN
Ed Grimsey [EG]	BU-UK
Kara Burke [KB]	NPg
James Knight [JK]	Centrica
Rebecca Nock [RN]	National Grid
Simon Vicary [SV]	EDF
Victoria Burkett [VB]	SSE
<b>Code Administrator</b>	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
<b>Apologies</b>	
Blessing Ekpe [BE]	SSE

## 1. Administration

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- 1.1 The Working Group reviewed the “Competition Law Guidance”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.2 An action log has been created and all updates are provided in **Appendix A**.

## 2. Purpose of the Meeting

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- 2.1 The Chair explained that the purpose of this meeting is to review and discuss the collated Consultation 2 responses within the Working Group and agree next steps.

## 3. Review Collated Consultation 2 Responses

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- 3.1 The Chair presented the collated Consultation 2 responses document on screen for the Working Group to review. This can be found as **Attachment 1**.
- 3.2 The key updates can be found below:
- 3.3 **Q1**
- 3.4 The Chair confirmed that all 8 respondents understood the intent of the CP.
- 3.5 **Q2**
- 3.6 The Chair confirmed that all eight respondents were supportive of the principles of the CP.
- 3.7 **Q3a**
- 3.8 The Chair informed the group that in relation to the proposed options A/B, five respondents confirmed their preference for option A and two respondents for option B. It was noted that one respondent did not show a preference for either option.
- 3.9 One member suggested that a smaller Supplier may find it more beneficial to have forecasted tariffs as opposed to a model that they can take away as they would need to have an understanding of how to use it.
- 3.10 Another member suggested that providing forecasted tariffs may be more misleading to Parties when assumptions still have to be made and queried whether this is truly helpful to them.
- 3.11 **Q3b**
- 3.12 In regard to the proposed template, one respondent stated that it is unclear if Table 1 – CDCM Inputs from the Cost Information Table should be excluded from the combined version – KB confirmed that this sheet has been included in error and should have been removed.
- 3.13 **Q3c**
- 3.14 In relation to additional items that would need to be added to the Cost Information template from the ARP, one member stated that a lot of the data provided does not change on a regular basis (i.e., volumes).

- 3.15 It was queried whether DNOs or Suppliers have the best information to make these assumptions, and suggested that having just the CDCM inputs gives no flexibility to provide any additional information within that space if potential assumptions were to be seen.
- 3.16 **Q3d**
- 3.17 The Chair confirmed that one respondent suggested that an alternate solution could be to leave the processes how they are – i.e., let the ARP continue to be a separate submission once a year, as well as the Cost Information Tables, and users can update the ARP as necessary.
- 3.18 The Working Group discussed the above approach and stated that the intent of this change is to prevent/stop the duplication of work; but if the approach remained the same, the duplication of work would continue.
- 3.19 **Q4**
- 3.20 The Chair confirmed that the majority of the respondents agreed the combined requirements should be aligned with Schedule 15.
- 3.21 In terms of the combining requirements, one member stated that the ARP is forward facing, and Cost Information Tables are both backward and forward looking and suggested that care will need to be taken to ensure the model does not inadvertently provide updated rates where rates have already been set.
- 3.22 The Working Group agreed that this could be a risk when combining, however it was confirmed that the template itself could be updated to mitigate this risk. The Working Group noted that this will be considered for both options.
- 3.23 **Q5**
- 3.24 The Chair confirmed that the majority of respondents agreed that the conclusion from DCP 421 for the calculation of forecast revenues in future price control periods are still valid.
- 3.25 **Q6**
- 3.26 In relation to the frequency of publication, overall, the respondents are happy with the dates of September and the month of publication, but it was queried whether April could change to May to allow for additional information if available. The Working Group agreed that a further discussion around the frequency of publication will be necessary.
- 3.27 **Q7**
- 3.28 One respondent queried what is meant by the latest submission and whether this means that the latest iteration of the PCFM submitted to Ofgem as part of the annual iteration process or the submitted version. The respondent noted that if the dry run process is used, then this would restrict the updates that would be contained throughout the year.
- 3.29 The Working Group discussed this and agreed that for the April/May publication, any updates that Parties may have must be able to be included and the legal text needs to reflect this.

3.30 **Q8**

3.31 The Chair confirmed that the DNO respondents stated that the DCP 066A teleconference calls are mainly aimed at Suppliers as the DNOs are there to explain the charges. Three respondents confirmed that these meetings are useful, however it was noted that they may be losing their value due to lack of Supplier engagement.

3.32 **Q9**

3.33 In terms of improvements that should be made, it was suggested that it could be highlighted that there are training sessions/material that currently exist that could be utilised to benefit all Parties.

3.34 It was also suggested that Parties having the ability to submit questions prior to the meeting may be of benefit to all attendees, as this would allow DNOs to seek further information/answers prior to the meeting and ready to provide the questioning Party on the day.

3.35 **Q10**

3.36 In relation to who should be responsible for hosting the DCP 066A meetings, four respondents stated that DCUSA should be responsible, one respondent stated ENA, two respondents had no preference, and one respondent did not comment.

3.37 One member suggested that the ENA will be comfortable moving forward with the responsibility of the meeting, however, there would be no objections to handing the responsibility over to DCUSA.

3.38 **Q11**

3.39 The Chair informed the group that four respondents agreed it would be more beneficial to have a 'fixed' day for these meetings to be held, three chose 'not fixed' (as long as enough notice is given beforehand) and one respondent did not comment.

3.40 Some Working Group members suggested that this meeting could be an 'add-on' to the DCMDG – i.e., starting at 9:30am with the DCMDG starting at 10am.

3.41 **Q12**

3.42 In terms of DCUSA General Objectives, the majority of respondents stated that this change would better facilitate General Objectives 3 and 4. Two respondents stated that Charging Objectives 2 and 6 would be better facilitated by this change, however one respondent did note that the same Objectives would be better facilitated if option B was taken forward.

3.43 **Q13**

3.44 The Chair informed the Working Group that seven respondents confirmed that they are not aware of any wider industry impacts. One respondent stated that DCP 437 *'To Shorten the DUoS Pricing Notice Periods'* will have an impact.

3.45 The Working Group discussed DCP 437, and confirmed that there is development; however, this will not impact this change.

3.46 **Q14**

3.47 The Chair confirmed that seven respondents confirmed that they are happy with the proposed implementation date of the first schedules DCUSA release following approval. One respondent stated their preference is three months after approval.

3.48 Following the above response, the Chair agreed to take an action to follow up with the respondent who suggested a later implantation date to gain a better understanding of the reasons.

**ACTION 16/01: The Secretariat to follow-up with SSEN in relation to extending the implementation date and gain a better understanding of the reasons.**

3.49 **Q15**

3.50 The Chair confirmed that seven respondents confirmed that the legal text suitably and clearly delivery the proposed solution, although one respondent did note that the header for Clause 35A and B (Option A) should be amended to read “Provision of Cost Information Review Pack” instead of “Provision of Cost Information” One respondent did not provide any comment.

3.51 The Chair agreed to take an action to make the update to the header of the legal text for Option A.

**ACTION 16/02: The Secretariat to update the header of the legal text for Option A.**

3.52 **Q16**

3.53 The Chair confirmed that five respondents did not have any additional comments on the draft legal text. Two respondents provided suggestions to the headers that need to be amended, and one respondent did not comment.

3.54 One respondent suggested that the published tariffs should be provided and not forecasts of the charges where the charges are already published. The Working Group discussed this and agreed that as long as the spreadsheet works correctly, the draft legal text may remain as it is. This will be noted within the change report.

3.55 **Q17**

3.56 The Chair informed the Working Group that seven respondents did not have any further comments around this change, with one also stating that they are supportive of this change.

3.57 One respondent suggested that if they are able to receive the ARP information in its current format more frequently it would be beneficial to enable them to update forecasts more frequently. The Working Group discussed this and agreed that if there are any significant changes, these would be published.

3.58 After further discussion, the Working Group agreed to review both options at the next meeting, and the Chair agreed to draft a Change Report for the Working Group to further develop.

**ACTION 16/03: The Secretariat to draft a Change Report for the Working Group to further develop at the next meeting.**

## 4. Work Plan and Next Steps

4.1 The workplan will be updated after each meeting.

4.2 The Working Group discussed the next steps, and the following items were captured:

- The Secretariat to make the necessary updates to the draft legal text headers.
- The Working Group to review and discuss the options at the next meeting.

## 5. Any Other Business

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5.1 The Chair asked the group whether there were any other items of business to discuss.

5.2 There were no other items raised.

## 6. Date of Next Meeting – 13 January 2025

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6.1 The next Working Group meeting will be held on 13 January 2025 at 10am.

## 7. Attachments

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- Attachment 1\_DCP 325 Collated Consultation Responses\_WG Comments
- Attachment 2\_DCP 325 Work Plan

## APPENDIX 1

### New and open actions

Action Ref.	Action	Owner	Update
<b>15/01</b>	The Secretariat to speak internally around how a different timetable could be implemented for an alternate solution.	Secretariat	<b>Ongoing.</b>
<b>16/01</b>	The Secretariat to follow-up with SSEN in relation to extending the implementation date and gain a better understanding of the reasons.	Secretariat	<b>New Action.</b>
<b>16/02</b>	The Secretariat to update the header of the legal text for Option A.	Secretariat	<b>New Action.</b>
<b>16/03</b>	The Secretariat to draft a Change Report for the Working Group to further develop at the next meeting.	Secretariat	<b>New Action.</b>

### Closed Actions

Action Ref.	Action	Owner	Update
<b>15/02</b>	The Secretariat to circulate the updated version of the draft Consultation 2 to the Working Group offline for a final review before issuing to wider industry on 08 November 2024.	Secretariat	<b>Closed.</b>
<b>15/03</b>	The Secretariat to seek further guidance from Gowlings in relation to Clause 35A legal text.	Secretariat	<b>Closed.</b>
<b>15/04</b>	The Secretariat to circulate the updated version of the draft legal text to the Working Group offline for a final review.	Secretariat	<b>Closed.</b>