

Distribution Charging Methodologies Development Group (DCMDG) - Meeting 83

16 January 2025 at 10:00 via Microsoft Teams

Attendees	Company
Ahna Taylor [AT]	SSE Energy Supply
Felix Chou Hon Leong [FL]	Ofgem
Catherine Fearon [CF]	ESP Utilities Group
Charles Mott [CM]	SSEN
Chris Barker [CB]	ENWL
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
Donald Preston [DP]	SSEN
Edda Dirks [ED]	SSE Generation
Georgia Preece [GP]	Northern Powergrid
Harrison Hunter [HH]	Cornwall Insight
Hunter Morven [HM]	LastMile UK
James Knight [JK]	British Gas
Jen StClair-Hughes [JS]	ESP Utilities Group
Joe Boyle [JB]	SPEN
Kara Burke [KB]	Northern Powergrid
Karl Maryon [KM]	Drax
Kavya	Brook Green Supply
Lee Stone [LS]	EON
Matthew Smith [MS]	UK Power Networks
Michael Clark [MC]	UK Power Networks
Pamela Howe [PH]	Northern Powergrid
Ryan Farrell [RF]	Northern Powergrid
Sally Musaka [SM]	Optimal Power Networks
Simon Vicary [SV]	EDF
Tony Collings [TC]	Ecotricity
Victoria Burkett [VB]	SSE Energy Supply
William Jago [WJ]	NPower
Secretariat	
Dylan Townsend [DT] (Chair)	ElectraLink
Alysson Peña [AP] (TechSec)	ElectraLink
Apologies	
Emma Clark [EC]	SSEN

1. Administration

- 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 the minutes are approved.
- 1.2 The Working Group reviewed the “Competition Law Guidance” and it was noted that all members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.3 There was one apology noted for this meeting.
- 1.4 Attendees reviewed the draft minutes from the meeting held on 19 December 2024, there were the below comments noted.

ACTION 83/01: Update DCMDG 82 minutes, to highlight actions and cross reference adequately and easy for readers. To amend the number of meeting and ensure it reflects the number of the meeting, another correction was noted on the headline of 8.1 of the minutes.

- 1.5 The DCMDG members agreed that once the changes above were actioned, then the set of DCMDG 82 minutes were an accurate summary of the meeting.
- 1.6 The Chair provided updates on the open actions contained in the actions log which was issued with the meeting papers.
 - Action 78/01: The Chair noted that further conversations needed to be had with Thrive before fully progressing this item. Action ongoing.
 - Action 78/02: The Chair noted a communication notice would be sent to let members know this subgroup is to be terminated. Action ongoing.
 - Action 82/01: The Chair noted that during January’s DCUSA Panel it was agreed that this item should be placed with the standing issues forum and not the DCMDG. Action ongoing.
 - The Chair shared on screen the DCP 414 guidance notes, which are due to be published as well as a template to be used by suppliers to DNOs/IDNOs for migration of Advanced DT Metered customers, this template was also shared on screen by The Chair. A member of the group noted that a dedicated mailbox has been set up for efficient communications related to this matter.
 - The Chair reassured the DCMDG members that this action is in process and he would reach out to members for feedback on the papers created for these publications which will reflect the comments made during this meeting and anything else received via email.
 - Action 82/02: The Chair noted this update had been done and would once more check whether this update related to adding a hyperlink to the communication from Ofgem related managing the effects of surplus residual charges. Action ongoing.
 - Action 82/03: It was noted that this required more time to complete and that this shall be actioned by the next DCMDG meeting. Action ongoing.

- Action 82/04: The Chair noted that this item regarding relating to the next steps for the residual charges around carbon capture and storage plants. This was completed and shared with AM for further comments. This action is now closed.

1.7 It was noted by the Chair that it would be beneficial to the group for the December meetings to be shorter as it would give more time for actions to be addressed within the holiday and expected downtime.

1.8 Members had no further comments.

2. Introduction

2.1 The Chair welcomed the DCMDG attendees to the 83rd 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:

- There were no new issues raised.

Charging Related Change Proposals:

- With respect to DCP 325, it noted that the Working Group met on 12 December 2024 where they reviewed the consultation responses. The Working Group is next due to meet on 13 January 2025 where they will continue to review the consultation responses and determine which of two solutions to take forward.
- 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 412, it was noted that the Working Group last met on 06 January 2025 where they reviewed a draft of the Change Report and the legal text and are planning to signing off both via email following a couple of points of clarification from the legal advisors. The aim is for the Change Report to be issued to the Panel in February.
- With respect to DCP 420, it was noted that the Working Group issued a consultation on 9 October 2024 and met on 19 November and reviewed consultation responses and a further meeting will be held early in the new year to continue reviewing the responses and then to select an appropriate solution to consult on in more detail.
- With respect to DCP 423, it was noted that the proposer is considering withdrawing DCP 423.
- With respect to DCP 424, it was noted that DCP 424 has been delayed due 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 Q3 2024.
- With respect to DCP 437, it was noted that a Doodle Poll for meeting dates in early January 2025 had been issued to members of the DCP 437 Working Group to re-start the discussion on this change and to address the points raised by Ofgem in their send-back letter.

- With respect to DCP 439, it was noted the Change Report was issued to the August Panel meeting for approval to progress to voting. During their meeting, the Panel requested for some amendments to be made and agreed to consider the Change Report ex-committee. Approval was subsequently obtained via email and the Change Report was issued for voting for a period of 15 Working Days. This is currently awaiting authority consent.
- With respect to DCP 440, it was noted that the Change Report was presented to the Panel during their meeting on 18 December 2024, where the Panel approved the Change Report and which was subsequently issued on 19 December 2024.
- With respect to DCP 443, it was noted that the Working Group met on 22 November where they finalised their RFI which was subsequently issued to parties on the same day. The purpose of the RFI is to gather information from Parties to better understand the impacts sites exceeding their capacity have as well as potential volumes. Responses were due by 13 December 2024. The next Working Group meeting is yet to be confirmed and doodle poll will be issued shortly to confirm next meeting date.
- With respect to DCP 445, it was noted that the implementation date for DCP 445 will be the same date as the M8 Milestone ('Code Changes Delivered') in the baselined MHHS Implementation Timetable which, following the Authority's approval of MHHS Program Change Request (CR055), the M8 Milestone is now set for 24/09/2025.

3.2 The Chair noted that moving forward, this agenda item would not be read line by line and instead the time will be used to highlight any last-minute updates not reflected in the document attached to the Meeting Pack sent prior to the meeting.

3.3 The DCMDG members had no further comments.

Legal Text Overlap Tracker:

- The Chair noted that this is up to date.

DCMDG External Activities:

3.4 In terms of external activities, the Chair noted that there were a few updates that were needed but had yet to be captured within the relevant tab. The Chair went on to highlight the items that will be updated in time for the next meeting.

- The Chair noted that the item related to Clean Power 2030 related matter would be added to the paper.

4. Ofgem Update

4.1 AM as representative of Ofgem updated the members on related matters.

4.2 It was noted that Ofgem has been working on residual surplus and dealing with various requests for derogations, in particular from ENWL, London Power Nets and SHEPD, SEPD.

4.3 Ofgem continues to receive information and hearing what people think and need to be done regarding DUOs.

- 4.4 AM noted that Ofgem would like to understand the issues nondomestic users have to deal with, as the system changes and if there needs to be considerations on how to recover costs and what other lessons are to be learnt from past circumstances. Ofgem will be publishing more information on the matter in the upcoming months. This is focused on distribution costs and to achieve net zero and improve different processes. It was highlighted by AM that structure has been positive on the actioning of items.
- 4.5 A member had a question regarding whether there are any plans for short term solutions needed for an earlier stage for CCR. AM explained DuOs CCR is currently in place and if there are items that needs more time, it will be done. Having the derogations is currently working for the industry and there are no other plans on creating an alternative, however if there are any new suggestions on how to deal with these items then Ofgem will consider these and make a decision convenient to the industry.
- 4.6 It was noted by a member that consistency is important given the impact changes have on the percentage of charges, another supplier member supported this statement.
- 4.7 It was noted that all current derogations will have published their rated by 14th of February 2025, this is due to isolated work having to take place before this can be done for all parties involved.
- 4.8 AM reassured members that an Ofgem representative would attend the next meeting for DCP 437.
- 4.9 Post Meeting Note:
- **UPDATE ON DEROGATIONS GRANTED BY THE AUTHORITY:**
 - London Power Networks plc, the Authority has directed that the period of notice by which the DNO must publish its charges is reduced to forty days, however Ofgem expect the DNO to publish those charges as soon as reasonably practicable but no later than 31 January 2025.
 - Electricity North West Limited, the Authority has directed that the period of notice by which the DNO must publish its charges is reduced to forty days, however Ofgem expect the DNO to publish those charges as soon as reasonably practicable but no later than 31 January 2025.
 - Scottish Hydro Electric Power Distribution plc (SHEPD) and Southern Electric Power Distribution plc (SEPD), the Authority has directed that the period of notice by which the DNO must publish its charges is reduced to forty days, however Ofgem expect the DNO to publish those charges as soon as reasonably practicable but no later than 14 February 2025.
 - This update has also been published on the 'Derogations' page on the DCUSA website: <https://www.dcusa.co.uk/derogations/>.

5. MHHS Update

- 5.1 The Chair noted there were no updates to be shared.

6. Private Networks Subgroup Update

- 6.1 The Chair noted there were no further updates to be shared. Relates to Action 78/02.

7. 'AAR Lessons Learnt' Subgroup Update

- 7.1 It was noted that the Chair would circulate information regarding this item and potentially close the group by the next DCMDG meeting.

8. Any Other Business (AOB)

- 8.1 The Chair asked if there were any other business to be discussed.
- 8.2 There were no other business raised.

9. Agenda Items for the Next Meeting

- 9.1 The standard standing items on the agenda.

10. DNO Operational Matters

- 10.1 The Chair asked the DCMDG members if there were any DNO Matters to be raised, there were none.

11. Date of Next Meeting

- 11.1 The next DCMDG meeting will be held on 20 February 2025 via Microsoft Teams / Teleconference.