

DCP 443 Working Group - Meeting 07

22 November 2024 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Kara Burke [KB]	NPg
Charles Mott [CM]	SSE
Chris Barker [CB]	ENWL
Chris Ong [CO]	UKPN
Donna Jamieson [DJ]	IDCSL
Ed Grimsey [EG]	BU-UK
Edda Dirks [ED]	SSE Gen
Michael Hewitson [MH]	Trident Utilities
Monique Pereira [MP]	Indigo Networks
Nik Wills [NW]	Stark
Peter Waymont [PW]	UKPN
Rachel Wallace [RW]	BU-UK
Robert Mottershead [RM]	Sedulity Energy
Simon Vicary [SV]	EDF
Victoria Burkett [VB]	SSE
Code Administrator	
Andy Green [AG] (Chair and technical secretariat)	ElectraLink
Apologies	
Alex Lam [AL]	National Grid

1. Administration

- 1.1 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.
- 1.2 The Working Group reviewed the previous meeting minutes and agreed them to be an accurate reflection of the discussions held.
- 1.3 An action log has been created and all updates are provided in **Appendix A**.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of this meeting is to review and discuss the draft RFI and Test Model within the Working Group and agree next steps.

3. Review Test Model

- 3.1 The Chair invited the Working Group to review and discuss the test model outcomes and narrative document, which was presented on screen.
- 3.2 The key points can be found below:
- 3.3 ED noted that on review, the alteration to the model was increasing the exceeded capacity charge and decreasing the fixed charge. ED went on to state that they had ran an example for a before and after band 4 site through the altered model and found that the reduction in the fix charge was greater than the increase to the exceeded capacity charge, leaving the example with an overall reduction in charges for this site.
- 3.4 It was noted that this was only one example that had been put through the altered model and that more testing/examples would be required.
- 3.5 It was agreed that the intent of this CP was not to reduce overall charges.
- 3.6 It was also noted that the initial rationale for this approach was because of concerns raised in the consultation around cost reflectivity and in order to apply a differential to the models, increasing the exceeded capacity charge and decreasing the fixed charge was potentially a simple way of doing this.
- 3.7 CB explained that the altered model was only a pilot/work in progress and that it was expected to change throughout the course of the change process.
- 3.8 It was again noted that the initial rationale for this approach was because of concerns raised in the consultation around cost reflectivity and that it is likely that the final solution would look to reduce unit rates rather than fixed charges, but this solution would require more work.
- 3.9 It was highlighted that whatever the approach the Working Group takes the economic justification would need to clearly be articulated in any future papers for this change.
- 3.10 CB offered to conduct this work but advised that due to the price setting exercise all DNOs must go through in December it would be mid to late January before this piece of work would be completed.

- 3.11 CB also noted that before he undertook this work, it would be best to wait for the responses to the RFI to confirm that the differential approach is one that the Working Group wanted to take as this would ensure that this work would add value.
- 3.12 The Working Group agreed that this was a sensible approach and agreed to wait for the RFI responses before deciding on next steps.

4. Review of Draft RFI

- 4.1 The Chair invited the Working Group to review and discuss the draft RFI document, which was presented on screen.
- 4.2 The key points can be found below:
- 4.3 It was agreed to only have detail regarding the specific questions the RFI was asking, as they weren't contingent to the previous consultation.
- 4.4 It was agreed that putting in detail of the previous consultation would cause confusion as the RFI was not asking questions that were particularly relevant to it.
- 4.5 It was also noted that the questions the RFI was asking were not related to any solution nor asking for any opinions, which further reinforced the Working Groups view that the detail of the previous consultation wasn't required.
- 4.6 It was agreed to add in a link to the previous consultation to the RFI in case anyone wanted to read any of its detail.
- 4.7 It was agreed by the Working Group to ask the below questions.
- Q1-What (if any) impacts, including the types of additional costs, does a customer cause when they exceed their capacity, and under what circumstances?
 - Q2-What are the potential impacts to other customers and suppliers when a site exceeds its capacity?
 - Q3-Could you please populate the template in Attachment 3 with the following data from April 2010 to October 2024:

'MIC Data' – Populate : -

Table 1 with the sum of MIC (kVA) per customer group - Table 2 with the sum of Chargeable Capacity (Max of MIC and MD) per customer group. - Table 3 and 4 will populate themselves.

'Customer Numbers' – Populate –

Tables 1 with the number of sites that exceeded their capacity –

Table 2 with the revenue from exceeded capacity charges –

Table 3 with the total number of sites on tariffs with capacity charges –

Table 4 with the total revenue invoiced to customers on tariffs with capacity charges.

- Q4-Do you have any other comments

4.5 The Working Group agreed that the RFI would be submitted on 22 November 2024 for a period of 3 weeks, giving a closing date of 13 December 2024.

ACTION 07/01: AG to share final draft of the RFI to the Working Group before issuing to industry by the close of business 22 November 2024.

4.8 This concluded the Working Groups review of the RFI.

5. Agenda Items for Next Meeting

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

1. The Secretariat to share the draft RFI with the Working Group with the intention of issuing it to industry by close of business 22 November 2024.
2. The Secretariat to share the response of the RFI to the Working Group
3. The Working Group to decide electronically if the differential approach is the one it wishes to take.
4. CB to review the modelling template and update if the Working Group agrees to continue with the differential approach.
5. The Working Group to agree the next meeting post reviewing the RFI responses and once an approach is agreed. Likely to be mid to late march due to a number of Working Group members supporting price setting in December.

6. Any Other Business

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

6.2 There were no other items raised.

7. Date of Next Meeting – TBFC

7.1 The next Working Group meeting will be agreed once the RFI responses have been received and the approach/solution is clearer.

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
07/01	AG to share final draft of the RFI to the Working Group before issuing to industry by the close of business 22 November 2024.	AG	<i>Post meeting update-closed as RFI has been reviewed and issued</i>

Closed Actions

Action Ref.			Update
03/01	The Secretariat to collate the highlighted themes and topics for further consideration in a separate document for the Working Group to review and work through once the collated responses have all been reviewed.	Secretariat	Closed.
04/03	The Secretariat to look for the original DCP 161 RFI response form and data in order to potentially re-issue for comparable data.	Secretariat	Closed.
05/01	The Secretariat to invite the Chair of the DCMDG (Dylan Townsend) to the next Working Group meeting.	Secretariat	Closed.
05/02	CB to send the test model outcomes to the Working Group post-meeting.	CB	Closed.
05/03	The Secretariat to draft an RFI and circulate to the Working Group for further review at the next meeting.	Secretariat	Closed.

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DCUSA