

## DPCR5 Close Out – Overview of Working Group Meeting

This meeting focussed on the NOMs drafting for DPCR5 close out, including the associated sections of the PAS.

From  
Date and time of  
Meeting  
Location

Grant McEachran  
13 May 2016  
Phone Conference

16 May 2016

### 1. Present

Grant McEachran, Clothilde Cantegreil, Aris Kalogeropoulos, Kelvin Hui	Ofgem
Dave Ball, Jonathan Booth	Electricity North West
John France	Northern Power Grid
Andrzej Michalowski, Katherine Bartlam	Western Power Distribution
Stephen Murray	SPEN
Robert Friel, Ross Thomson	UKPN
Gregory Edwards	British Gas

### 2. Areas discussed

#### Overview and overarching comments

2.1. The key comments raised on the overview were:

- to ensure the steps to be followed in the assessment are set out and are then used consistently throughout the methodologies
- Step 2 should refer to the Performance Assessment as this is the step carried out by the Authority;
- Step 3 should refer to the 'assessment' of Qualitatively Equivalent Network Outputs rather than the 'determination' of the delivery of Qualitatively Equivalent Network Outputs
- to ensure the overall structure is clear in terms of the separation of the steps which will be undertaken for each of the HIs, LIs and Fault Rates and the need to bring all three parts together in assessing in aggregate whether there is a NOMs Network Outputs Gap and determining its value;
- rather than referring to a 'qualitative adjustment' the methodology should refer to making an adjustment to reflect the qualitative assessment; and
- to check cross-referencing, both within the annex and with other annexes.

#### NOMs - HIs

2.2. The key comments in relation to HIs were as follows:

- to include similar language to that used at the start of the LI section which recognises the ability of the licensee to provide information as part of its Performance Assessment Submission to justify its programme of work during DPCR5; and
- remove reference to Interventions funded through asset replacement and refurbishment during DPCR5 and instead refer to Agreed Network Outputs.

### **NOMs - LIs**

2.3. There were no additional comments raised in the LI section.

### **NOMs - Fault rates**

2.4. The key comments in relation to Fault Rates were as follows:

- to make clear at the start of the section that it only applies to assets that do not have HIs;
- remove reference to splitting historical Fault Rates performance into its constituent fault causes; and
- for the quantitative performance analysis should focus on Fault Rate Points reported over of DPCR5 (rather than at the end) compared to the forecast Fault Rate Points average performance over DPCR5.

### **Paragraphs for additional input**

2.5. In light of comments GM agreed to revise and recirculate three paragraphs for further views. These related to:

- the components of the Authority's Initial High Level Analysis of the HI component of the licensee's NOMs;
- the steps the Authority would take to calculate the monetary value of the HI component of the NOMs Network Outputs Gap; and
- what the licensee may submit – Adjusted Network outputs or evidence why Material Changes have not had an impact on the delivery of the Agreed Network Outputs – if the Authority determines that the licensee has not delivered its Agreed Network Outputs as a result of Material Changes.

### **Annex A2 – Risk Point Methodologies**

2.6. There were no specific comments on the Risk Point Methodologies.

### **PAS**

2.7. It was highlighted that:

- cross references need to be checked throughout; and
- it was not clear how information provided in relation to costs and volumes for asset replacement or refurbishment related to DPCR4 but where work was undertaken in DPCR5 or where work was envisaged to be undertaken during RIIO-ED1 and benefits accrued in RIIO-ED1 would be treated.

### 3. Actions arising

3.1. The following table summarises the actions arising from the meetings.

<b>NOMs Drafting</b>	
• To review drafting to consider all point highlighted for the Informal Consultation.	Ofgem
• Ofgem to circulate three specific areas of revised drafting to get input from attendees.	Ofgem
<b>PAS</b>	
• Attendees to provide any further comments by e-mail.	All

### 4. Date of next meeting

4.1. No date was set for the next meeting but it was agreed that a meeting between the Informal Consultation and the Statutory Consultation would be helpful.