

# Distribution Charging Methodologies Forum (DCMF)

## Terms of Reference

### Introduction

This paper sets out the Terms of Reference for the ENA Distribution Charging Methodologies Forum (DCMF). It states the rationale for the forum, its membership, meeting frequency, scope of the issues covered, the appointment of the Chair, Deputy Chair, Secretary and publication of relevant documentation.

The Distribution Licence requires each LDNO<sup>1</sup> to keep their charging methodologies under review on an annual basis and encourages modifications if these can be shown to better meet a set of relevant objectives as set out within the Licence.

The DCMF is the forum where DNOs and other DCUSA parties can discuss the further development of the Common Distribution Charging Methodology (CDCM) and the EHV Distribution Charging Methodology (EDCM) which form part of the Distribution Connection and Use of System Agreement (DCUSA).

### Meeting Frequency and Location

The DCMF will be generally be held on the first Thursday of every other month at an appropriate venue (normally London), but ad hoc meetings may be called as and when necessary.

### Membership

The following membership is proposed for the DCMF:

- Chair (LDNO);
- Deputy Chair (LDNO);
- Secretariat (Appointed by the DNOs);
- Existing DCUSA parties and all prospective DCUSA parties;
- A representative from Ofgem;
- Representatives of electricity customer groups (e.g. Consumer Focus, Major Energy Users, Distributed Generation groups);
- A representative from each LDNO who may be supported at DCMF by a number of nominated LDNO experts as appropriate to the agenda; and
- Other interested parties, subject to prior notice to the secretary and available space at the meeting location.

The Chairman reserves the right to prioritise membership of the DCMF in the event of oversubscription to any meeting.

This structure aims to ensure an effective and manageable forum is maintained.

### Scope

The DCMF gives parties the opportunity to present and discuss proposed changes to the charging principles and methods associated with the CDCM and EDCM. In addition, the LDNOs will update members on any ongoing charging issues. The scope of the DCMF will centre on but, not limited to:

- Current Charging Issues & Updates;
- Common Use of System Charging Methodologies, including the annual review of the CDCM and the EDCM;
- Changes to CCCM that may affect Use of System Charges;
- Forthcoming events; and
- Any Other Business.

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<sup>1</sup> The phrase 'LDNO' refers to all licensed distribution network operators including the ex-PES DNOs and new Independent DNOs.

For the avoidance of doubt, the DCMF will not consider the impact of existing charges on individual users nor will the forum cover specific contractual matters or issues related to the DCUSA, as these will be dealt with through the relevant governance structures.

The LDNOs will inform members of forthcoming or recent correspondence or notifications pertaining to the charging methodologies. All members can raise issues for discussion or general queries regarding the existing methodologies.

The LDNOs will be responsible for bringing forward modification proposals in line with their licence requirements and will consult with the industry as appropriate. This meeting should be seen as an opportunity for LDNOs to provide an early view of any proposals.

Subject to the above limitations, other parties may raise issues with the Chair for inclusion on the agenda. A standard agenda template is attached to these Terms of Reference.

### **Responsibilities and Appointment of the Chair, Deputy Chair and Secretariat**

The Chair of the DCMF will be appointed by the LDNOs and will be responsible for the smooth running of the forum and ensuring the Terms of Reference are observed. It is expected each LDNO will hold the Chair role. For continuity purposes the Deputy Chair, appointed by the LDNOs, will hold the post for a year and the following year will accede to the Chair.

A Secretariat will be appointed by the LDNOs. The Secretariat will be responsible for the preparation and distribution of the draft agenda prior to each meeting, preparing and distributing the minutes of the meeting after each meeting. All the meeting documents and materials will be distributed, if possible, one week prior to the meeting to all members, and the minutes should be published one week after the meeting. All secretarial costs will be shared amongst the LDNOs.

### **Governance**

The DCMF will at all times comply with the requirements of the 1998 Competition Act and will not deal with any matter which will or is likely to prevent, restrict or distort competition or constitute an abuse of a dominant position as construed within the Act.

### **Publication of DCMF Materials**

The DCMF will be designated a dedicated page on the ENA's website. The current weblink is:

[http://www.energynetworks.org/electricity/regulation/commercial-operations-group/charging-structure/use-of-system/stakeholders/dcmf/distribution-charging-methodologies-forum-\(dcmf\).html](http://www.energynetworks.org/electricity/regulation/commercial-operations-group/charging-structure/use-of-system/stakeholders/dcmf/distribution-charging-methodologies-forum-(dcmf).html)

The website will be main source for notification of meetings, publication of each meeting's minutes, storage of presentations and papers. This facilitates availability of information to a wider audience.

## Standard Agenda Template

**[Meeting Number] of the  
Distribution Charging Methodologies Forum**

**[Meeting Venue]**

**[Date and Time]**

### Agenda

Item	Lead	Start	Finish
1. Welcome and introductions			
2. Minutes of the last meeting			
3. Imminent Industry Charging Updates			
4. Charging Discussion Topics			
5. DCUSA Change Proposals 5.1. CDCM 5.2. EDCM			
6. Methodology Issues Group			
7. Charging related industry changes (Elexon etc.)			
8. Other charging related issues			
9. Any Other Business			
10. Schedule of future meetings:			
11. Close			