

<b>DCUSA CHANGE PROPOSAL – SUMMARY REPORT</b>	
<b>CP Title</b>	<b>DCP 086 - Introduction of the Annual Review Pack</b>

## **1 INTRODUCTION**

- 1.1 This paper summarises the responses received to a Request for Information on DCP 086 'Introduction of the Annual Review Pack'.

## **2 DCP 086 – INTRODUCTION OF THE ANNUAL REVIEW PACK.**

- 2.1 At its meeting on 12 April 2011 the DCP 086 Working Group agreed to carry out a consultation to give all Parties an opportunity to review and comment on the proposal. This will ensure that there will be no adverse impact on existing arrangements or any unforeseen consequences if the CP is implemented.
- 2.2 The consultation was issued to all DCUSA Parties and 11 responses were received representing 6 Suppliers, 11 DNOs and 1 IDNO.

## **3 SUMMARY OF RESPONSES**

- 3.1 Do you understand the intent of the CP and are you supportive of its principles?
- All respondents understood the intent of the CP.
- 3.2 Do you consider that the proposal better facilitates the DCUSA objectives? Please give supporting reasons.
- All respondents agreed that DCUSA General Objective 2 is better facilitated.
  - 5 respondents also agreed that DCUSA Charging Objective 2 is also facilitated.
- 3.3 Are you supportive of the timescales for the timing and frequency of submission/publication proposed by the CP? Please give supporting reasons.
- 10 respondents were supportive of the timing and frequency of submission/publication proposed by the CP.
  - British Gas were supportive of the timing and frequency for the CP but noted that they need assurance that the modification will be implemented for producing the ARPs for the indicative prices in December 2011. Therefore they would assume that the consultation means to have an implementation date of 1<sup>st</sup> November 2011.
  - Npower were supportive of the timing and frequency for the CP but noted that there are a number of Bank Holidays around the time of release which means, worst case, the pack may not be issued until 6<sup>th</sup> January 2012. They would like to see this changed to release by, at latest, 31<sup>st</sup> December 2011. This ties in with the release of prices.
  - ScottishPower Energy Retail Ltd (SPERL) were supportive of the timing and frequency for the CP but noted that that DCP 088 proposes changes to the CDCM model which will more easily enable price changes at dates other than 1 April. Should this change be approved then it may be appropriate

for the ARP to reflect this and to be refreshed when a mid-year price change is implemented.

- SSE Power Distribution strongly disagreed with the proposed timings. They noted that the clear priority for DNOs is to meet existing Licence and DCUSA obligations in relation to publication of tariffs. The additional task of ARP delivery should be set to meet a date in early January for indicative tariffs and a date in early March for final tariffs. This would allow DNOs to manage the tariff activity more reasonably and still provide Suppliers with the information in a reasonable timescale.

3.4 Which option for the maintenance of the template including is preferred, please give supporting reasons:

- 3 respondents preferred the option for a collective obligation for DNOs to maintain the template (but not specifying the mechanism for doing so)
- 7 respondents preferred a Panel duty to maintain the template along with the model.
- SPERL noted that they are less concerned about the mechanism for maintaining the ARP template as long as it is ensured that it is done in a consistent manner across all DNOs. As the obligation to provide the ARP will rest on the DNOs it would seem logical that the responsibility for maintaining it also rests with them.

3.5 Please indicate which your preferred option is to ensure that the ARP remains aligned with the charges model should it be changed. For example, these options may be used where the model is changed between indicative and final prices.

- 4 respondents preferred the option of 'Freezing' changes to the model (and therefore the template) if an Authority decision is made after an agreed date;
- 4 preferred to delaying the publication of the ARP if an Authority decision is made after a certain date; and
- SSE Power Distribution respondent preferred not to make any changes to the template if an Authority decision is made after an agreed date.
- E.ON noted that they have no particular preference, just a common approach.
- SPERL noted that if the DNOs are only going to be obligated to publish the ARP once annually (unless there is a material change between indicative and final charges), then it is crucial that the ARP matches the CDCM model. We would therefore support delaying the publication of the ARP if this ensured that it reflected the current CDCM model.

3.6 Are you supportive of the ARPs being published in a public area on the DCUSA website?

- 10 respondents were supportive of the ARP being published in the public area on the DCUSA website.
- EDF Energy is not supportive of publishing of the ARPs on the DCUSA website.

3.7 Do you have any comments on the proposed legal text?

- UK Power Networks noted the legal drafting should ensure that provision is made for the ARP and CDCM development to be linked to ensure that parity in terms of the tariff results is maintained (i.e. changes to the CDCM should be rolled out to the ARP as appropriate).

- Western Power Distribution (WPD) noted that the current version of the ARP has 2 years worth of history, followed by the current charging period and then 4 years of forecast. This is a total of 7 years worth of data. The legal drafting reads that there should be 8 years worth of data, made up of 3 years of history and 5 years of forecast. The drafting should be changed accordingly.
- 3.8 Are there any alternative solutions or matters that should be considered?
- UK power Networks noted that the ARP should reside in and be maintained by the DCUSA
- 3.9 Are you supportive of the proposed implementation date of 03 November 2011?
- All respondents were supportive of the proposed implementation date.

#### **4 APPENDICES**

##### **4.1 Appendix A – Consultation Responses**