



DCUSA Consultation

DCP 091 – PUBLICATION OF TARIFFS AND ANNUAL CHARGE ESTIMATES

1 PURPOSE

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors, electricity Suppliers and large Generators. Parties to the DCUSA can raise Change Proposals (CPs) to amend the Agreement with the consent of other Parties and (where applicable) the Authority.
- 1.2 This document is a consultation issued to all DCUSA Parties, consumer representatives and the Authority in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 091 'Publication of tariffs and annual charge estimates'.
- 1.3 Parties are invited to consider the proposed drafting set out in Appendix A and submit comments using the form attached as Appendix B to dcusa@electralink.co.uk by 4 July 2011.

2 DCP 091 – PUBLICATION OF TARIFFS AND ANNUAL CHARGE ESTIMATES

- 2.1 DCP 091 has been raised by UK Power Networks and seeks to amend the DCUSA to permit Distributors to publish DUoS tariff and DUoS charge information.
- 2.2 Through the development of the CDCM and EDCM, Ofgem has instructed Distributors to keep customers informed of any changes to their DUoS charges and to provide them with sufficient information to enable them to understand the charging methodology.
- 2.3 Ofgem have also indicated that DNOs should continue to provide ongoing charging information to assist customers in predicting their use of system charges.
- 2.4 The DCUSA does not expressly allow Distributors to publish DUoS tariff and DUoS charge information based on supplier consumption data. There is concern that the confidentiality clauses of the DCUSA conflict with Ofgem's instruction.

- 2.5 This CP seeks to allow DNOs and IDNOs to publish DUoS tariff and DUoS charge information based on supplier consumption data that may be deemed confidential without such express permission.
- 2.6 The proposer believes that this CP will clarify this situation and allow Distributors to comply fully with Ofgem requirements without the possibility of breaching any confidentiality clauses within the DCUSA.

3 WORKING GROUP ASSESSMENT

- 3.1 The DCUSA Panel established a Working Group to assess and develop the Change Proposal (CP). The DCP 091 Working Group comprises IDNO and DNO representatives. Suppliers have expressed interest in joining this Working Group; however, there have been none in attendance to date.
- 3.2 The Working Group noted that the EDCM derogation letter published by Ofgem on 30 September 2010 requires Distributors to “work closely with customers to ensure they understand the methodology and their illustrative charges such that they are up to date and are able to comment on project developments where they wish to. This should include working with customers to explore ways in which they might be able to manage their use of system costs”.
- 3.3 It was noted that Section 34 of the DCUSA sets out the confidentiality restrictions on Distributors, and Clause 34.2.3 specifically carves out the confidential information they are able to disclose. Currently, there is no allowance for DUoS tariff and DUoS charge information which would allow Distributors to assist customers in understanding their UoS costs.
- 3.4 The Working Group discussed that some Suppliers have previously expressed concern that Distributors have been sharing confidential information with Customers in breach of the DCUSA.
- 3.5 The Working Group support DCP 091 and its intent to expand this list to include the provision of “DUoS tariffs, actual charges, charge estimates and

the elements that construct the charge to Connectees". The Working Group concluded that this would allow Distributors to meet Ofgem's requirements and remove the risk of non-compliance.

3.6 The Working Group noted that because of the nature and timing of the contract in place between the Customer and Supplier (e.g. fixed annual costs) there may be differences between the Distributors' forecast DUoS costs and the final charge passed on the Customer. The Working Group considered that Suppliers should be able to explain any such differences to their Customers if necessary, and that whilst there is a contractual relationship between the supplier and the customer there also needs to be an information relationship between the customer and the DNO, as identified by Ofgem.

3.7 The members of the Working Group confirmed their support for the intent and business justification of the DCP 091.

4 ASSESSMENT AGAINST THE DCUSA OBJECTIVES

4.1 The Working Group identified that the DCP 091 will, if approved, better facilitate DCUSA General Objectives 1 to 3.

4.2 Objective 1 - DUoS charges include pricing signals may encourage Customers to modify their behaviour to reduce their charges; this could enable Distributors to more efficiently manage their networks.

4.3 Objective 2 – The CP will promote competition by having Consumers better informed about the composition of their charges which will enable them to compare Suppliers.

4.4 Objective 3 – This CP will ensure that Distributors are free to share information with customers to support the License Condition which requires Distributors ensure customers understand their charging methodologies.

5 LEGAL DRAFTING

5.1 The proposed legal drafting is attached as Appendix A.

6 IMPLEMENTATION

- 6.1 The Working Group agreed that, if accepted, the CP should be implemented in November 2011 DCUSA Release to ensure it is in place for the publication of indicative charges in December.

7 CONSULTATION

- 7.1 The Working Group agreed to issue a consultation to all DCUSA Parties asking the following questions:

- Do you understand the intent of the CP?
- Are you supportive of the principles?
- How will the CP better facilitate the DCUSA objectives?
- Are there any unintended consequences of the CP or will it conflict with any other obligations?
- Could a case be made for limiting this information to certain groups or classes of customer e.g. designated EHV properties? (justification for answer required)
- Should the types of information that can be disclosed be fully open or restricted? Should there be any specific exclusions? (justification for answer required)
- Do you have any other comments on the proposed legal text?
- Are you supportive of the proposed implementation date?
- Please state any other comments or views on the Change Proposal.

- 7.2 Responses should be submitted using Appendix B to DCUSA@electralink.co.uk no later than 4 July 2011.

- 7.3 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate which parts of the response are to be treated confidentially.

8 NEXT STEPS

- 8.1 Following the end of the consultation period, the responses will be reviewed by the Working Group, where after the Working Group will finalise the drafting of the CP and submit its final report to the Panel.
- 8.2 Following Panel approval, the Change Proposal will be issued to all DCUSA Parties for voting and subsequently issued to Ofgem for final determination.
- 8.3 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA Help Desk by email to DCUSA@electralink.co.uk or telephone 020 7432 3011.

9 APPENDICES

- 9.1 Appendix A – Proposed legal text
- 9.2 Appendix B – Response form