

## DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

- PART A – Mandatory for all Change Proposals
- PART B – Mandatory for Non Charging Methodologies Proposals
- PART C – Mandatory for Charging Methodologies Proposals
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### PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard / Urgent
CP Number	DCP 110
Date of submission	17/11/11
Attachments	None
Originator Details	
Company Name	UK Power Networks
Originator Name	Peter Waymont
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	Peter.waymont@ukpowernetworks.co.uk
Phone Number	07875112757
Change Proposal Details	
CP Title	Electricity and Gas (Internal Markets) Regulations 2011
Impacted parties	All
Impacted Clause(s)	See below
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	none
Change Proposal Intent	
<p>The intent is that the DCUSA is updated to reflect the Electricity and Gas (Internal Markets) Regulations 2011, SI 2704.</p>	
Business Justification and Market Benefits	
<p>The SI adds a new DCUSA objective into the distribution license that needs to be reflected in the DCUSA and also requires other consequential changes.</p> <p>In respect of the SI, Schedule 8, paragraph 3(10),(11) and (12) are relevant.</p> <p>I show here how I have proposed the legal text based on the sub-clauses of those parts of the SI.</p> <p>10(a) – amend Clause 3.1            10(b)(i) – amend Clause 10.2            10(b)(iv) re new (e)(ii) – amend Clauses 11.29 and 11.31            10(b)(iv) re new (e)(iii) – amend Clause 11.10            10(b)(iv) re new (f) – covered by existing DCUSA or other changes herein            10(c) – amend Clause 14.2            10(d) – covered by existing DCUSA or other changes herein</p>	

11 – amend 9.4.6  
12(g) – amend Clause 3.2

Further points regarding the proposed legal text –

Note that 10(b)(iv)(e)(i) states that CPs raised by the Authority or a licensed distributor must be accepted into the change process by the Panel. I have taken this to mean that the change process starts at the secretariat's review and not to mean that if a CP does not tick all the right boxes it still has to be accepted. I have therefore not amended Clauses 10.8, 10.13 or 10.14 in the proposed drafting.

Note that I am concerned about my interpretation of 10(b)(iv) re (e)(ii) (which changes SLC22.5) and 11 (which changes SLC23A) as the impact of these in conjunction with 10(b)(i) does not appear to me to be restricted to changes that relate to the Regulation or decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators. By my interpretation, the effect of these is that all CPs raised by licensed distributors are Part 1 matters and may only be withdrawn with Authority consent. But I confess it is not easy to read across these regulations without seeing fully the amended SLCs and await the update to the e-public register. This interpretation is reflected in the proposed Clauses 9.4.6 and 11.29 below.

I imagine each of these and my proposed text will be considered further by DCUSA's legal advisors.

#### Proposed Solution and Draft Legal Text

Clause 1.1, Add new definition;

“Regulation” has the meaning given to that term in the Distribution Licences.

“European Commission” means...

“Agency for the Co-Operation of Energy Regulators” means...

Change Clause 3.1 as shown;

The objectives of this Agreement (such objectives being the **General Objectives**), except in respect of the Charging Methodologies, shall be:

3.1.1 the development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System;

3.1.2 the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity;

3.1.3 the efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences; ~~and~~

3.1.4 the promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it; ~~and~~

3.1.5 compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Change Clause 3.2 as shown;

3.2 The objectives of this Agreement in respect of the Charging Methodologies only (such objectives being the **Charging Objectives**) shall be:

3.2.1 that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence;

3.2.2 that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences);

3.2.3 that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business; ~~and~~

3.2.4 that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business; ~~and~~

3.2.5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators

Add new Clause 9.4.6

it has been raised by a DNO Party or an IDNO Party or the Authority pursuant to Clause 10.2.2 or the Authority has directed a timetable pursuant to Clause 11.10 or the Authority has directed an implementation date in accordance with Clause 11.20.5.

Change Clause 10.2 as shown;

10.2A Change Proposal may be made by any of the following:

10.2.1 a Party;

10.2.2 the Authority (in relation only to amendments which it reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators;

10.2.23 the National Consumer Council;

10.2.34 the National Electricity Transmission System Operator; or

10.2.45 any person or body that may from time to time be designated in writing by the Authority for the purpose of this Clause 10.2 (which may include, in respect of a Charging Methodology, any person whose interests are materially affected by that Charging Methodology).

Change Clause 11.10 as follows;

Where the Authority reasonably considers that the Change Proposal is necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators it may direct the timetable to apply. Where the Authority has not directed a timetable in such circumstances, ~~At~~ at the same meeting at which the Panel determines whether a Change Proposal is to be subject to the Definition Procedure, it shall also, having regard to the complexity, significance and urgency of that proposal, determine a timetable for the completion of each stage of the Assessment Process

Change Clause 11.20.5 as follows;

state the proposed date for implementation but where the Authority reasonably considers that the Change

Proposal is necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators it may direct an implementation date and the Change Report shall contain the date so directed

Change Clause 11.29 as follows;

11.29 The Proposer may withdraw his support for a Change Proposal on notice to the Secretariat at any time, but where the Proposer is a DNO Party or an IDNO Party he must provide evidence of the Authority's consent to do so.

Change Clause 11.31 as follows:

11.31 With the exception of Change Proposals withdrawn by a DNO Party or an IDNO Party with Authority consent, where, within 10 Working Days of the Secretariat sending notice under Clause 11.29, the Secretariat receives notice from a Party that it is prepared to support the Change Proposal, that Party shall:....

Change Clause 14.2 as follows;

14.2 Where the Authority reasonably considers that the Change Proposal is necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators and has directed an implementation date and the proposed variation to this Agreement is accepted in accordance with Clause 13 the provisions of Clause 14.3 shall apply. Where, in respect of any Change Proposal that the Authority has not directed an implementation date where it may do so if it considers that the Change Proposal is necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators, the proposed variation to this Agreement is accepted in accordance with Clause 13 but the proposed implementation date is rejected:

14.2.1 the Change Proposal will be re-submitted to the Assessment Process and Voting Procedure but so that only the newly proposed implementation date (and not the proposed variation to the Agreement) is assessed and voted upon; and

14.2.2 the provisions of this Clause 14 shall not apply to the Change Proposal until the proposed

implementation date is also accepted in accordance with Clause 13.

**Proposed Implementation Date**

Extraordinary release as soon as reasonably practicable after approval.

This change is considered urgent as it relates to a current issue that if not addressed may cause one of the parties to be in breach of a relevant instrument.

**Impact on Other Codes**

Please tick the relevant boxes and provide any supporting information.

- BSC
- CUSC
- Grid Code
- MRA
- Other
- None

If other please specify

**Consideration of Wider Industry Impacts**

none

**Environmental Impact**

none

**Confidentiality**

n/a

**PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS**

**DCUSA Objectives**

General Objectives:

Please tick the relevant boxes.

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of

electricity

- 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- 4 The promotion of efficiency in the implementation and administration of this Agreement

**Rationale for better facilitation of the DCUSA Objectives identified above**

The SI introduces new License changes in respect of the DCUSA objectives as well as other consequential changes to the DCUSA.