

DCUSA DCP 084 Consultation Responses – Collated Comments

	Question One	Do you understand the intent of the CP and are you supportive of its principles?	Working Group Comments
1	British Gas	<p>We understand the intent of this CP and agree with the working group that Parties working together to improve cost forecasting is desirable.</p> <p>However we are not sure this CP, as drafted, will achieve this. As stated in paragraph 2.2 of the consultation Clause 35A is related to forecasting distribution <i>revenues</i>. Although prices will be affected, DNO revenue is not linked to customer usage other than in the short-term (and in the short-term, weather effects will be far more significant than longer-term trends).</p>	The Working Group maintained that the data will still provide a long term view of consumption movement.
2	CE Electric	Yes	Noted
3	EDF Energy	<p>EDF Energy fully understands the intent of the CP. Unfortunately; we are not supportive of its principles and reject the CP.</p> <p>The reasons for rejection of this CP being:</p> <ul style="list-style-type: none"> It is impossible to predict customers consumption by DNO tariff as we have no control over their usage. DNOs will be better placed to predict significant changes in demand where customers are considering new connections or changes to existing 	The Working Group agreed that the intent of the CP is to ask Suppliers to give a macro view of what is happening to the average consumption in the future. The Working Group noted that the CP is not trying to understand how Suppliers customer base will increase or decrease.

		<p>connections.</p> <ul style="list-style-type: none"> • Forecasts are commercially sensitive information for suppliers and we do not believe that it is appropriate for suppliers to provide this to the market, as it could be seen as anti-competitive. • The CP is not clear if data is required by individual GSP or a sum of all GSPs. If the report is required by GSP it would mean that each supplier would have to provide 14 reports which would prove to be an administrative burden on Suppliers. • The CP is not clear on protection of the data. The requested data is totally confidential and should not be in the public domain. We would accept providing the data to individual distribution business provided it is not shared with a third party. • Clause 3.3 does not commit the Distribution business to act upon the data received leading us to believe that the data may not be of help to the DNO. 	
4	Electricity North West	<p>Yes, we understand the intent of the CP and are supportive of its principles.</p> <p>Any additional information that enables DNOs to more accurately calculate Use of System charges</p>	Noted

		assists all parties, particularly if the accurate recovery of allowed revenue can be achieved. Large under and over recoveries can add to the volatility of charges, a situation that is detrimental to DNO's and suppliers alike.	
5	EON	No the intent of this CP is unclear. The consultation seems to not focus on the same areas as the intent of the original CP and is poorly written. We can guess at the intent from the information provided but do not feel this is acceptable. We would be supportive of helping Distributors in providing relevant information to help them fulfil their obligations but do not feel that the information asked for in the legal drafting is in any way helpful.	Noted
6	Opus Energy Ltd	Yes	Noted
7	RWE Npower	<p>We understand the intent of the CP but are not supportive of its principles.</p> <p>We also do not believe that the data requested will assist the DNO's in meeting their objectives for the following reasons:</p> <ol style="list-style-type: none"> 1. Each supplier will have a different method of forecasting consumer consumption. This may be based on their current customer base, future expected customer base, forecasts of future weather variables, splits between customer types etc. 	Noted

		<ol style="list-style-type: none"> 2. Timing, if forecasts are based on current customer supplied, will cause issues since customers can move between suppliers. (This is particularly relevant at the profile class 00, LV and HV levels but also affects non half hourly forecasts). 3. Any attempted comparison of volume forecast per customer type is impossible since they are not produced on a consistent basis. It would not be comparing 'like for like'. 4. Forecasts are commercially sensitive information for suppliers and we do not believe that it is to provide this to the market. 5. Suppliers only see the customers they supply so cannot provide a complete view of the DNO area. The DNO's are best placed to understand the overall volumes within their own networks since they see the whole customer base. 6. Using data provided by suppliers as part of 'the jigsaw' of data used by the DNOs may only lead to confusion since one supplier may genuinely see demand increasing in that area, but another may see it decreasing due to the reasons given above. 	
8	Scottish Power Energy Retail	ScottishPower Energy Retail supports any discussion to improve the DCP066 reports. However, we are not clear on the benefits that would be gained by providing this data as a	Noted

		supplier.	
9	SP Distribution/SP Manweb	We understand the intent of the CP and support its principles.	Noted
10	SSE Power	We understand the CP and are supportive of its principles, although we have concerns that the data provided by Suppliers may, in aggregate, lead to greater uncertainty.	Noted
11	SSE Retail	Yes	Noted
12	UK Power Networks	Yes	Noted
13	WPD	We understand the intent of the CP, but we are not supportive of its principles. DNOs are best placed to understand customer usage in their areas since they will possess a stable data set of customer numbers and aggregate consumption for the entire customer base of its licence area. Suppliers, on the other hand, are operating with a fluctuating customer base which is likely to span the entire country and which can be biased to particular customer types. Customer usage information from Suppliers is therefore likely to be more complex to compute and could be biased depending on the portfolio (in terms of customer type and location) of the supplier in question.	Noted
	Question Two	Do you consider that the proposal better facilitates the DCUSA objectives? Please give supporting reasons.	
14	British Gas	1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated,	Noted

		<p>and economical Distribution System</p> <ol style="list-style-type: none"> 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. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences 4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it <p>We agree that more predictable distribution revenues will improve competition. We are not convinced, however, that this CP will achieve this for the reasons outlined above.</p>	
15	CE Electric	<p>We believe that the change proposal better facilitates DCUSA General objective 2 because the provision of cost/revenue forecasts from the DNOs improves competition in supply and this proposal may improve the quality of data that the DNOs provide. Ideally, it may also aide DNOs in setting charges using more accurate unit forecasts and therefore brings greater stability to charges with</p>	Noted

		less likelihood of mid-year tariff changes.	
16	EDF Energy	EDF Energy does not consider that the proposal better facilitates the DCUSA objectives as the CP is not clear about protection of the data, in particular the data being released to the public domain. We also consider that DNOs already have sufficient information on current and future customer demand, with suppliers being unlikely to materially improve the accuracy of this data.	The Working Group agreed that it will review the legal drafting of the CP in order to address these concerns.
17	Electricity North West	We believe objective no 3 is better served by this proposal. More complete information should help DNOs to meet the licence condition obligation to be accurate in recovering allowed revenues.	Noted
18	EON	<p>We do not feel that this CP better facilitates any of the DCUSA objectives. We note that the consultation states that the working group believed two objectives were better facilitated, but gives no detail to lead us to believe this to be so. If anything this CP is detrimental to 3 of the objectives.</p> <ol style="list-style-type: none"> 1. The information asked for under this consultation is incomplete and not distinguishable to each individual DNO. We cannot see that by only basing this information on suppliers by the number MPANS they supply can possibly give any Distributor an idea of what the future use of their network may be. Also the information is for the total number of units distributed by a supplier. Despite the fact that 	Noted

		<p>suppliers do not distribute electricity but sell it (so this would always be zero) how can Distributors distinguish one network area from another? This must make their obligation to maintain an efficient system more difficult if they are relying on this data, as they are always likely to either under or overstate consumption.</p> <p>2. It is unclear how this information will be published. If it on the public side of the DCUSA website it will be disclosing confidential information about future activity by a supplier. This would likely to put suppliers in breach of their supply licences. This would therefore by definition be anticompetitive behaviour.</p> <p>3. The arguments for 1. Are similar to that for this objective. This CP would create far more work for Distributors in trying to de-cypher all this extra superfluous information and this cannot lead to an efficient discharge of their obligations.</p>	
19	Opus Energy Ltd	The proposal would facilitate more efficient administration of the system by improving the data available to DNOs + IDNOs as per objective 1)	Noted
20	RWE Npower	<p>1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System</p>	Noted

		<p><i>No. The information that is proposed to be provided to the DNOs is forecast differently by suppliers and any attempted comparison is unlikely to improve the overall DNO forecast since the underlying assumptions behind the supplier forecast will not be available.</i></p> <p>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</p> <p><i>No, this is information that should be confidential to suppliers</i></p> <p>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences</p> <p><i>No, as response 1. above</i></p> <p>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it</p> <p><i>No, we believe that the information will not be useful to the DNO forecasting process, for reasons given above, and will just provide an additional administrative burden with associated costs that does not add value.</i></p>	
21	Scottish Power Energy Retail	1. The development, maintenance and	Noted

		<p>operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System</p> <p>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</p> <p>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences</p> <p>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it</p> <p>As mentioned above, we cannot establish which objective is better facilitated by this proposed change.</p>	
22	SP Distribution/SP Manweb	We agree with the conclusions of the working group in determining that DCUSA objectives 2 and 3 are better facilitated.	Noted
23	SSE Power	In our view, DCUSA objective 3 is most affected by this Change Proposal. The DNO Licence obligation relating to cost reflective tariffs may potentially be discharged on an improved basis through more accurate forecasting.	Noted
24	SSE Retail	1. We trust the CP will assist forward planning of the distribution network capacity.	Noted

		<p>2. We trust the CP will help the distributors set their tariff rates accurately.</p> <p>3. We trust the CP will help the distributors set their tariff rates; as required by their licences.</p> <p>4. We trust the CP will help the distributors set their tariff rates accurately.</p>	
25	UK Power Networks	2 and 3 to the extent that this data facilitates more accurate forecasting and hence indications of price movements by the distributor	Noted
26	WPD	We do not see the need for this CP and don't understand how it will better facilitate the DCUSA objectives.	Noted
	Question Three	Are IDNOs impacted by the proposal and is there an impact on nested networks?	
27	British Gas	IDNOs appear to be affected as they can be considered to be a user of the Host Network	Noted
28	CE Electricity	We do not envisage this change proposal to have any negative impact on IDNOs or nested networks.	Noted
29	EDF Energy	There would be no direct impact upon IDNOs / nested Networks apart from their data being contained within the response.	Noted
30	Electricity North West	<p>DCUSA clause 35A – Provision of Cost Information only applies to DNO parties, not IDNOs.</p> <p>We do not believe there will be a significant enough impact on nested networks to warrant consideration.</p>	Noted

31	EON	We do not believe we are in a position to answer this question aimed at IDNOs.	Noted
32	Opus Energy Ltd	No opinion	Noted
33	RWE Npower	We do not believe this proposal will add any value to the DNOs forecasting process, therefore there will be no positive impact on the IDNOs	Noted
34	SP Distribution/SP Manweb	We don't foresee any impact.	Noted
35	SSE Retail	This question should be answered by the IDNOs.	Noted
36	UK Power Networks	Any data that helps forecast load must be of use	Noted
37	WPD	We don't believe IDNOs are affected	Noted
	Question Four	Are you happy with the proposal for the central collation and distribution of the data as set out under this CP?	
38	CE Electricity	Yes, whilst the ideal proposal would be to receive region specific forecasts we see that as overly burdensome and central collation would reduce the administrative burden on suppliers.	Noted
39	EDF Energy	No. EDF Energy is not supportive of central collation and distribution of the data as we do not support this CP.	Noted
40	Electricity North West	Yes, we support this particular element of the CP. The proposal for the DCUSA secretariat to centrally collect and then distribute to DNOs on a specific one to one basis will help to assure suppliers that any commercially confidential data is not entering	The Working Group acknowledged that a number of Parties expressed concern that the data is classified as commercially sensitive and would not be comfortable circulating the data.

		the public domain. This may encourage suppliers to be more candid in submitting data.	The group agreed to address this issue during its review of the legal drafting
41	EON	It would seem sensible if this CP is accepted to have a central point for collation and distribution.	Noted
42	Opus Energy Ltd	Yes	Noted
43	RWE Npower	If the proposal is implemented, we are happy with the proposal for this information to be sent to a central source	Noted
44	Scottish Power Energy Retail	<p>We support the principle of the central collation and distribution of the data. However, we do have concerns with commercial confidentiality as the data is disseminated to the various companies.</p> <p>DNOs raised this concern through the DCP033 but it was agreed that this was not an issue for them as their allowed revenues etc are already widely published. Suppliers are not bound by similar licence requirements.</p> <p>We recommend this DCP is linked to DCP091 and the implementations are tied.</p>	Noted
45	SP Distribution/SP Manweb	We are happy for the data to be collated by the DCUSA Secretariat and circulated via email to DNOs.	Noted
46	SSE Power	Yes	Noted
47	SSE Retail	Yes.	Noted
48	UK Power Networks	Yes.	Noted
49	WPD	Don't see the need for the CP, but a centralised approach to the collation and distribution of data	Noted

		would seem sensible.	
	Question Five	Should all Suppliers be required to submit data or should there be a reporting threshold (e.g. based on customer numbers / market share)? If so what should the threshold be?	
50	CE Electricity	We think suppliers with a significant customer base should be required to populate this return. We do not believe the one million customers threshold stated in the drafting to be unreasonable as suppliers of this size will probably have a more diverse customer base and be able to provide more meaningful data.	Noted
51	EDF Energy	If the DNO's want a complete picture of their GSP then we would expect all Suppliers be required to submit this data otherwise it undermines the validity of the information. EDF Energy reject this CP	Noted
52	Electricity North West	Only suppliers with a significant market share should be required to submit data. The proposal for suppliers with in excess of an average of 1 million customers nationally per annum to report appears to be an appropriate threshold.	Noted
53	EON	All Suppliers should be required to submit data if not it is impossible for a Distributor to get a complete picture and will inevitably lead to error.	Noted
54	Opus Energy Ltd	There should be a threshold of 1 million customers	The Working Group agreed that it

		<p>as proposed in the draft.</p> <p>Small suppliers will not have a material impact on the overall data, therefore the value of the data they could provide does not justify placing this administrative burden on them.</p>	would favour the data coming from large Suppliers, as it would not want to place an obligation on small Suppliers to submit the data, which may not be relevant.
55	RWE Npower	This proposal should not provide an additional burden to small suppliers. However, if a threshold is put in place, account needs to be taken of movements in customer numbers or market share. There is potential that suppliers close to the threshold would be reporting in some months but in not others. We would not propose what the threshold should be – but believe that it needs to be clearly defined and robust.	Noted
56	Scottish Power Energy Retail	Doing a simple calculation based on customer numbers or market share could result in valuable supplier information being missed. All HH suppliers should provide the information due to the impact on each DNO. Another option for NHH could be based on total EAC consumption, but as the report it based on GB level this would be difficult.	Noted
57	SP Distribution/SP Manweb	We do not consider it necessary for suppliers, outwith the Big 6, to be obligated to provide this information.	Noted
58	SSE Power	<p>All “Relevant Supplier Parties” should be required to comply.</p> <p>However, we do not agree with the current suggestion for the definition of Relevant Supplier Parties. The current definition potentially covers a very small number of Supplier entities (given that</p>	Noted

		<p>a number of major electricity suppliers are composed of multiple DCUSA Supplier entities) and is also skewed towards Suppliers with a large presence in the domestic and small business markets.</p> <p>We suggest that the proposed definition should be amended to cover Suppliers who have in excess of 250,000 customers nationally per annum and/or Suppliers whose aggregate annual electricity sales are greater than or equal to 1,000 GWh.</p>	
59	SSE Retail	All suppliers should face the same obligations.	Noted
60	UK power Networks	<p>Per capita does not distinguish between customer numbers</p> <p>One million seems high</p>	Noted
	Question Six	Do you have any comments on the proposed legal text?	
61	British Gas	<p>It is unclear what exactly is being requested.</p> <p>Is it intended to reflect a Supplier's own portfolio or a more general view?</p> <p>Are values for year t intended to weather-corrected?</p> <p>Additional Suppliers are unlikely to plan their own business in terms of DUoS tariffs and so will not disaggregate usage at such a level</p>	Noted
62	Electricity North West	<p>1. Clause 35B.1 says "relevant Supplier Party" and Clause 35B.2 says "Relevant Supplier Party". I</p>	Noted

		<p>think the second one should be the same as the first. If not, the second is a defined term and will need adding to the definitions with an explanation of what it means (even if such a definition refers to this clause number.</p> <ol style="list-style-type: none"> 2. Clause 35B.2 – “user” should be “User” 3. Clause 53B.4 – rather than leave this open, it would seem more sensible for the User to send in a no change submission or an update table. The use of ‘may’ leaves it open to whether the submission is delayed, there is no update, or they have forgot to send one in. This area needs to be tighter than written. It should be ‘shall’ give notice.... 4. Table 3, column 3 – The title of this column – “%age increase/decrease of Units per capita distributed/tariff/annum” should this relate to “supplied” rather than “distributed” since it is coming from the supplier. 5. Also clause 53.4 should read 35.4 	
63	EON	<p>Yes.</p> <p>4.1 refers to a table referred to in 35B.2. There is no such reference here.</p> <p>The table itself refers to units Distributed. This will always be zero as suppliers licence does not allow them to distribute electricity.</p>	Noted
64	Scottish Power Energy Retail	<p>To avoid any confusion would it be simpler to say the data should be sent to the Secretariat as per the calendar published on the DCUSA website. The calendar could be approved by the Panel (including any amendments).</p>	Noted

		<p>This would avoid any confusion with the January and April submissions.</p> <p>We would question the benefit individual DNOs will receive from this data as the spreadsheet suggests suppliers will provide this at a GB level. A supplier's portfolio can vary greatly depending on the GSP Group / DNO area so a DNO will have to make huge assumptions on the information provided.</p>	
65	SP Distribution/SP Manweb	We request confirmation that the information will be provided by each relevant supplier for each GSP group. We do not believe this is clear from the current drafting.	Noted
66	SSE Power	<p>See comments above regarding the definition of "Relevant Supplier Parties".</p> <p>We are also of the view that Table 3 should exactly follow the CDCM format.</p>	Noted
67	SSE Retail	The words "per capita" appear on the top of the required data table. The words "per mpan" might be more appropriate.	Noted
68	UK Power Networks	<p>The column heading on table 3 that says % increase per capita.... Should per capita be replaced with per MPAN or Chargeable MPAN or even per Customer just to tighten the definition a little.</p> <p>Should it be done by DNO region in case of geographic variations.</p> <p>Should there be a requirement to base the calculation on maintaining existing customers or similar e.g. the per capita figures may alter if the mix of customers alters.</p>	Noted

	Question Seven	Are there any alternative solutions or matters that should be considered?	
69	British Gas	We are concerned that providing this data may not be allowed under Competition Law. Views of future customer usage may influence future pricing decisions and, as such, care is needed before disclosing such information. We would need to be confident that potential Competition Law issues have been fully addressed.	Noted
70	Electricity North West	None identified	Noted
71	RWE Npower	If a longer term view of demand for the category levels is required, we believe that it should be provided by an independent source looking at the macro economic factors which affect demand.	Noted
72	Scottish Power Energy Retail	<p>We would argue DNO's can monitor trends, consult with other distributors and National Grid on matters such as demand destruction, energy efficiency, other economic trends, and demographics. Information on household income/expenditure, appliance usage, etc are all easily available and form the basis of supplier forecasting.</p> <p>Further, a supplier's forecast is totally dependent on the makeup of their portfolio at any given time. As this is constantly moving any changes in % are more likely to relate to the change of supplier than energy efficiencies or change of usage.</p>	<p>The Working Group agreed that DNO's can monitor trends, consult with other distributors and National Grid on matters such as demand Distribution, energy efficiency, other economic trends, and demographics. Information on household income/expenditure, appliance usage, etc is all readily available, and forms the basis of Supplier forecasting.</p> <p>The group agreed that DNOs are also receiving information from other</p>

			sources and this will only be additional information, a piece of the 'jigsaw'.
	Question Eight	The proposed implementation date is early September 2011. Is that sufficient lead time for Suppliers to submit the data on the fifth Working Day of October 2011?	
73	CE Electricity	A September 2011 implementation does not seem unreasonable as we believe that this will be data that suppliers will have readily available.	Noted
74	EDF Energy	EDF Energy do not accept the implementation date as we reject this CP.	Noted
75	Electricity NorthWest	The proposed lead time should be sufficient for suppliers to submit data. This implementation date has been chosen in order that DNOs could use the data to support the calculation of indicative Use of System charges that require to be published in December 2011.	Noted
76	EON	No. Much of the data that is being requested is not standard reporting now and therefore will need scoping. We suggest that we will need 3 months from implementation before we are likely to be able to produce the first data report.	Noted and agreed to address under the groups review of the implementation date.
77	Opus Energy Ltd	Yes	Noted

78	Scottish Power Energy Retail	Yes	Noted
79	SP Distribution/SP Manweb	We consider this to be a question best answered by Supplier parties.	Noted
80	SSE Power	This is for Suppliers to comment upon.	Noted
81	SSE Retail	Yes	Noted
82	UK power Networks	Unknown	Noted
	Question Nine	Please state any other comments or views on the Change Proposal.	
83	EDF Energy	Suppliers only see the customers they supply so cannot provide a complete view of the DNO area. The DNO's are best placed to understand the overall volumes within their own networks since they see the whole customer base. EDF Energy do not believe the CP is written to clearly explain the intent of the CP.	Noted
84	EON	We suggest that the submission dates are altered to follow the major contracting rounds for non domestic business. This would give Distributors a much more accurate view of likely changes in volume. We also note that the proposer suggests that provision of this data is likely to decrease the likelihood of mid year price changes by DNOs. We can see no evidence from previous mid year	The Working Group agreed to add a section to the DCP 084 Change Report to address E.ON's concerns.

		changes that this is the case, the last change this year was in fact down to Distributor error. We would like the group to explore this claim further and provide a detailed breakdown as to how this data is likely to reduce the number of mid year tariff changes.	
85	SSE Power	We believe that there should be an explicit acknowledgement in the drafting to confirm that while DNO parties may be obliged to consider the information provided by Relevant Supplier Parties, they shall not be obliged to incorporate such information into their forecasts.	Noted
86	SSE Retail	We are accepting the distributors' assertion that the data table is useful, without holding an opinion ourselves.	Noted