

## 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
- PART D – Guidance Notes

### PART A - MANDATORY FOR ALL CHANGE PROPOSALS

<b>Document Control</b>	
CP Status	Standard
CP Number	DCP 106
Date of submission	01/08/11
Attachments	None
<b>Originator Details</b>	
Company Name	npower ltd
Originator Name	Helen Inwood
Category	SUPPLIER
Email Address	<a href="mailto:Helen.inwood@npower.com">Helen.inwood@npower.com</a>
Phone Number	07795354788
<b>Change Proposal Details</b>	
CP Title	Visibility to DCUSA Parties Regarding Applications to the Authority by DNO's to Change Allowed Revenue
Impacted parties	Supplier/DNO/IDNO
Impacted Clause(s)	
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	None
<b>Change Proposal Intent</b>	
<p>Currently Suppliers do not receive notice of applications by DNO's to Ofgem to increase/decrease their allowed revenue. These applications to Ofgem, if approved, may result in tariff changes. This proposal will require DNO's to provide transparency and advanced information to DCUSA parties of their application to Ofgem for extraordinary changes to revenue and the implementation dates that have been requested.</p> <p>This proposal recognises that there may be information in the application to Ofgem that is confidential to the DNO. This proposal is seeking to obtain only the key details i.e. reason for application, requested revenue change/timescales and implementation date requested.</p>	
<b>Business Justification and Market Benefits</b>	
<p>Over recent years, there has been a lot of good work within the industry to improve the transparency of information to suppliers through the DCP066 reports. However, this report does not provide visibility for suppliers on potential extra-ordinary changes to revenues which may result in tariff changes.</p>	

Implementation of this proposal will be beneficial to Suppliers and customers. The proposal assists suppliers offering consolidated contracts as greater visibility of potential revenue changes allows them to reduce risk premia within their tariffs. This will result in more cost reflective charges, thereby improving competition in supply. The proposal also allows consumers on pass through contracts to forecast likely changes to their current costs.

Changes to suppliers DUoS tariff forecasts as a result of receiving this additional information is at Suppliers' risk. Provision of this data enhances market data transparency, allowing suppliers to take a more informed view of the risks involved.

**Proposed Solution and Draft Legal Text**

We propose that DNO's, at the same time as initially contacting the Authority, inform Supplier's that they intend to request a change to revenue. DNO's/IDNO's should provide notice of the reason for the request, the monetary value requested and proposed timescales over which the revenue change will be recovered and the implementation date they have requested to incorporate the change of revenue into their tariffs. This should be made known in written form to Suppliers. This will assist Suppliers in determining the likelihood of the full amount.

All information requested above should also be included within the DCP066 report.

We believe that this requires a new paragraph within Clause 19 and would appreciate the views of the working group as to how best incorporate it.

**Proposed Implementation Date**

Immediately following Authority approval as there are no system implications or impacts on Parties processes.

**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 identified

**Environmental Impact**

None identified

**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**

Effective competition will be promoted by this modification as it will give Suppliers and consumers further transparency of future changes to revenues which could impact DUoS charges. This assists suppliers offering rolled up contracts as greater visibility allows them to reduce risk premia within their contracts and also allows consumers on pass through contracts to understand their costs. This will result in more cost reflective tariffs, thereby improving competition in supply.

## PART C – MANDATORY FOR CHARGING METHODOLOGIES PROPOSALS

### DCUSA CDCM Objectives

Please tick the relevant boxes.

#### CDCM Objectives:

- 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
- 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 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
- 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

#### General Objectives:

- 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

#### CDCM Objectives:

#### General Objectives:

### Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation

Informal discussion with Ofgem and DCMF

## PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Data Field	Guidance
<b>Attachments</b>	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
<b>Change Proposal Intent</b>	Outline the issue the CP is seeking to address. Please note that the intent of the CP cannot be altered once submitted.
<b>Confidentiality</b>	Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem
<b>CP Status</b>	A CP may be deemed 'urgent' in accordance with Clause 10.4.8 of the DCUSA. The proposer should give supporting reasons.
<b>DCUSA General Objectives</b>	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
<b>DCUSA CDCM Objectives</b>	Indicate which of the DCUSA CDCM Objectives will be better facilitated by the Change Proposal. Please note that a CDCM change may also facilitate the DCUSA General objectives.
<b>Draft Legal Text</b>	Insert proposed legal drafting (change marked against any existing DCUSA drafting). The Change Proposal Intent will take precedence in the event of any inconsistency.
<b>Environmental Impact</b>	Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see <a href="#">Ofgem Guidance</a> .
<b>Impact of Wider Industry Change</b>	Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.
<b>Part 1 / Part 2 Matter</b>	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
<b>Proposed Implementation Date</b>	The Change can be implemented in February, June, and November of each year.
<b>Proposed Solution</b>	Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions.
<b>Rationale for DCUSA Objectives</b>	Provide supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.
<b>Related Change Proposals</b>	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.