

## 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

Document Control	
CP Status	Standard
CP Number	DCP 150
Date of submission	10/07/12
Attachments	None
Originator Details	
Company Name	Npower Ltd
Originator Name	Jonathan Wisdom
Category	SUPPLIER
Email Address	<a href="mailto:Jonathan.wisdom@npower.com">Jonathan.wisdom@npower.com</a>
Phone Number	07584 491508
Change Proposal Details	
CP Title	Implementation of notice in DCUSA for changes to certain CDCM inputs
Impacted parties	DNO's/IDNO's/Suppliers
Impacted Clause(s)	Schedule 16
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	
Change Proposal Intent	
This proposal is designed to fix some of the inputs into the CDCM model by providing an obligation in DCUSA for DNOs to provide sufficient notice period to change them. We propose that a 15 month notice period be given to change certain inputs to the CDCM model.	
Business Justification and Market Benefits	
<p>Currently, there are inputs in the CDCM model which tend to change year on year. Changes to model inputs can cause unexpected volatility within charges.</p> <p>Suppliers price consumers on 1, 2 and 3 year contracts – either with DUoS built into the overall rate that the customer receives on the bill or where DUoS charges are passed through directly onto the customers bill. Changes to CDCM model inputs can lead to sudden price shocks, perhaps resulting in windfall gains or losses for suppliers. This also can lead to consumers being charged on a different basis depending on the type of contract with their supplier.</p>	

**Proposed Solution and Draft Legal Text**

Amend relevant clauses within Schedule 16 applicable to the following Charging Methodology inputs. This will apply to paragraphs 16-54 of Schedule 16.

- 1017 - Diversity Allowance between top and bottom of network level
- 1018 - Proportion of relevant load going through 132kV/HV direct transformation
- 1019 - Network model GSP peak demand (MWh)
- 1025 - Matrix of applicability of LV service models to tariffs with fixed charges
- 1026 - matrix of applicability of LV service models to unmetered tariffs
- 1028 - Matrix of applicability of HV service models to tariffs with fixed charges
- 1092 – Average kVAr by kVA, by network level

**Proposed Implementation Date**

**1<sup>st</sup> December 2012**

**Impact on Other Codes**

Please tick the relevant boxes and provide any supporting information.

BSC	<input type="checkbox"/>
CUSC	<input type="checkbox"/>
Grid Code	<input type="checkbox"/>
MRA	<input type="checkbox"/>
Other	<input type="checkbox"/>
None	<input checked="" type="checkbox"/>

If other please specify

**Consideration of Wider Industry Impacts**

**We do not believe that this has an impact on the wider industry and therefore can proceed as per the usual change process.**

**Environmental Impact**

None

**Confidentiality**

None

## 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
- ☐ 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

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

## 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
- ☐ 5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

#### 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
- ☐ 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

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

#### CDCM Objectives:

Increased stability and transparency within the Charging Methodology increases market confidence in the tariff setting regime and encourages competition by reducing price shocks for both new entrants and current participants.

#### General Objectives:

We believe that this better facilitates general objective 2. Enhanced transparency of changes to the methodology inputs will allow market participants a better view of the potential changes to tariffs.

This will allow transparency to the end customer and therefore promote competition.
<b>Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation</b>
None

#### 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.