

## 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	162
Date of submission	7 February 2013
Attachments	Yes
<b>Originator Details</b>	
Company Name	Scottish Hydro Electric Power Distribution plc
Originator Name	Angus Rae
Category	DNO
Email Address	angus.rae@sse.com
Phone Number	01738 456308
<b>Change Proposal Details</b>	
CP Title	Non-Secure Connections in the Common Connections Charging Methodology
Impacted parties	DNOs and IDNOs
Impacted Clause(s)	Schedule 22
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	None
<b>Change Proposal Intent</b>	
<p>To amend the common 'Statement of Methodology and Charges for Connection', which is governed by the DCUSA, to include connection charging arrangements associated with 'non-secure' connections and to provide accompanying illustrative examples.</p>	
<b>Business Justification and Market Benefits</b>	
<p>For connections activity, DNOs are required to have a Methodology under SLC 13 and a Charging Statement under SLC 14. These requirements are met by use of a common "Statement of Methodology and Charges for Connection" (from October 2010). Certain sections of these documents are common to all DNOs and the Common Methodology is subject to open governance under DCUSA. Note that the requirement for a Common Methodology is applied to DNOs and not IDNOs.</p> <p>Ofgem's views with respect to the charging of reinforcement costs associated with the provision of a 'non-secure' connection initially emerged in Determination RBA/TR/A/DET/160 (dated 7 July 2011). As a consequence of this Determination, DNOs have considered that it would be beneficial to clarify the charging arrangements associated with 'non-secure' connections within the Common Methodology and this Change Proposal is intended to address this requirement.</p>	

**Proposed Solution and Draft Legal Text**

Taking account of both the determination and wider implications, proposals to amend the Common Methodology to introduce specific charging arrangements for 'non-secure' connections have been discussed and developed within the connections sub group of the ENA Commercial Operations Group. A group of examples, to illustrate how the principles would be applied in particular circumstances, have also been developed with a view to being included within the Common Methodology. The text proposals and examples have also taken account of comment raised within the Connection Charging Methodology Forum.

The proposed amendments to the Common Methodology text and illustrative examples are appended to this Change Proposal form. As the Common Methodology is incorporated within DCUSA, these amendments and examples are therefore also draft legal text amendments to Schedule 22 of the DCUSA.

**Proposed Implementation Date**

June 2013.

**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**

None identified by the Proposer.

**Environmental Impact**

None identified by the Proposer.

**Confidentiality**

Non-confidential.

**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 Charging Objectives**

Please tick the relevant boxes.

Charging 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**

Charging Objective 1 :

This Change Proposal has been developed following the emergence of Ofgem’s views with respect to the charging of reinforcement costs associated with the provision of a ‘non-secure’ connection, within Determination RBA/TR/A/DET/160 (dated 7 July 2011). This Change Proposal is intended to facilitate the implementation by all DNOs of the charging principles raised within this Determination within the DNO Connection Charging Methodologies.

Charging Objective 2:

This Change Proposal is intended to facilitate the consistent application by all DNOs of the appropriate value of connection charges to generation and/or demand customers in those instances where a ‘non-secure’ connection is provided and where distribution network reinforcement is required. The current methodology has no specific pricing principles for such cases and it is therefore possible that varying approaches may be applied.

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

These proposals have been extensively discussed within the Connections Sub-Group of the ENA Commercial Operations Group and in the Connections Charging Methodology Forum.

**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 Charging Objectives</b>	Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM 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.