

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 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 / Urgent
CP Number	DGP 158
Date of submission	30 November 2012
Attachments	
Originator Details	
Company Name	Eastern Power Networks plc
Originator Name	Peter Waymont
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	Peter.waymont@ukpowernetworks.co.uk
Phone Number	07875 112757
Change Proposal Details	
CP Title	DNO DUoS re EDNOs
Impacted parties	DNO/IDNO/Supplier
Impacted Clause(s)	21, 29, schedules 16, 17 & 18
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	none
Change Proposal Intent	
<p>To standardise the DNO DUoS charging arrangements where a customer within a Licence Exempt Distribution Network requests an MPAN in order to choose a supplier and the Difference Metering solution is adopted for settlement.</p> <p>To facilitate such arrangements by making the boundary MPAN or the embedded customer MPAN transparent.</p>	
Business Justification and Market Benefits	
<p>All customers are entitled to request an MPAN so that they can trade electricity with a choice of Suppliers. DUoS billing and formal data provision arrangements currently in place may not be sufficient for difference metered Licence Exempt Distribution Networks.</p> <p>There are several options for how the energy consumed or produced within the Licence Exempt Distribution Network could be measured to ensure integrity of the total metered volume. These options may include Difference Metering and Full Settlement metering. Both may need to be considered in due course. Indeed a Difference Metered set-up could become a Full Settlement metering scheme at a later time. However, this CP focuses on the approach for Difference Metering.</p>	

UK Power Networks suggests that in this case, the DNO, the Licence Exempt Distributor (EDNO) and the Suppliers of the embedded customers involved adopt a principle whereby the DNO's DUoS is charged at the boundary to the boundary Supplier based on gross metered energy. Under this arrangement, the embedded Supplier would not receive any DUoS charges from the DNO but would be charged separate DUoS charges by the EDNO for use of his network (and presumably the upstream DNO's).

This method results in the Suppliers of the embedded customers only receiving one invoice and is consistent with IDNO arrangements where the end distributor charges the all-the-way charge.

While this appears to maintain the status quo, in that the DNO's use of system charges continue to be levied on the boundary Supplier based on gross data, consideration should be given as to whether there should be any DNO standing charges, to recover the costs of the MPAS service, charged to the Suppliers of the embedded MPANs.

In order to achieve this method, our preference is to introduce a new data flow for the provision of gross boundary data, using the settlements MPAN, and we have raised an issue with the MRA IREG to consider this.

An alternative is to use an existing HH data flow (e.g. D0036) sent over the DTN but using a non-settlements reference number (pseudo MPAN) for this. We do not believe this is viable in the longer term.

In either case, as both gross and net data flows are received, the gross and net data should not be able to be interpreted as the same data set e.g. and one overwrite the other in a billing system record. It is important that there is some differentiator.

UK Power Networks also believes it is necessary for industry parties to be able to see that a given MPAN represents an EDNO boundary or an EDNO embedded customer. We propose using a common LLFC (which need not be site specific) for the boundary and all embedded MPANs as this will result in the correct LAFs being applied in settlement and recognises the finite number of LLFCs available (i.e. does not introduced any more). In order to identify the nature of the MPAN, we propose that a common MTC be used to identify EDNO boundary MPANs and a different common MTC be used to identify EDNO embedded MPANs, on the understanding that all are HH metered.

An ENA working group considered these issues during the first part of 2012 but no code changes to facilitate the DNO DUoS methodology or its billing were delivered by that group.

Proposed Solution and Draft Legal Text

Amend Clause 29.4

29.4 **With the exception of the provision of gross metered data relating to Metering Points at boundaries with License Exempt Distribution Systems, unless the BSC or MRA provide for the provision of such data,** For the purposes of Clause 29.3, the Company and the User acknowledge that it shall be reasonable for the Company to require any Metering Data which the User (or its BSC Party Agent) is obliged to provide to the Company and/or the relevant MPAS Provider in accordance with the provisions of, and in the form specified by, the MRA and/or the BSC.

Add new Clause 29.6

29.6 Where the User is the registrant of an embedded customer within a licence exempt distribution network that is Difference Metered pursuant to the BSC, the User shall ensure that the relevant MPAN has MTC [xxx] applied to it in MPAS.

Add new Clause 29.7

29.6 Where the User is the registrant of the boundary between the Company's Distribution System and a licence exempt distribution network that is Difference Metered pursuant to the BSC, the User shall ensure that the relevant MPAN has MTC [yyy] applied to it in MPAS.

Schedule 16

Insert new 148 (and renumber accordingly);

Tariff structures for Licence Exempt Distribution Systems using Difference Metering

148 The tariffs charged in respect of Licence Exempt Distribution Systems using the Difference Metering approach in accordance with the BSC shall be charged to the boundary Supplier based on the gross measurement data from the boundary meter.

No DUoS charges would be applied to the boundary net settlements data received by the DNO.

Insert new 149

149 The DNO shall not charge UoS individually in respect of the embedded customers [other than in respect of MPAS standing charges only].

Schedule 17

Insert new 25.3

25.3 The tariffs charged in respect of Licence Exempt Distribution Systems using the Difference Metering approach in accordance with the BSC shall be charged to the boundary Supplier based the gross measurement data from the boundary meter.

No DUoS charges would be applied to the boundary net settlements data received by the DNO.

Insert new 25.4

25.4 The DNO shall not charge UoS individually in respect of the embedded customers [other than in respect of MPAS standing charges only].

Schedule 18

Insert new 25.3

25.3 The tariffs charged in respect of Licence Exempt Distribution Systems using the Difference Metering approach in accordance with the BSC shall be charged to the boundary Supplier based on the gross measurement data from the boundary meter.

No DUoS charges would be applied to the boundary net settlements data received by the DNO

Insert new 25.4

25.4 The DNO shall not charge UoS individually in respect of the embedded customers [other than in respect of MPAS standing charges only].

[schedule 17 para 25 & schedule 18 para 25 could possibly do with a general review in light of this proposal]

Proposed Implementation Date

First release after approval.

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

A gross boundary meter consumption data flow is a sensible way forward.

Environmental Impact

none

Confidentiality

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:

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- 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 Objectives:

1. The Act provides for Licence exempt networks.
2. Licence exemption is a form of competition

General Objectives:

2. Licence exemption is a form of competition

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

Yes by a group looking into this on behalf of ENA.

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Data Field	Guidance
Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
Change Proposal Intent	Outline the issue the CP is seeking to address. Please note that the intent of the CP cannot be altered once submitted.
Confidentiality	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
CP Status	A CP may be deemed 'urgent' in accordance with Clause 10.4.8 of the DCUSA. The proposer should give supporting reasons.
DCUSA General Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
DCUSA Charging Objectives	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.
Draft Legal Text	Insert proposed legal drafting (change marked against any existing DCUSA drafting). The Change Proposal Intent will take precedence in the event of any inconsistency.
Environmental Impact	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 Ofgem Guidance .
Impact of Wider Industry Change	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.
Part 1 / Part 2 Matter	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.
Proposed Implementation Date	The Change can be implemented in February, June, and November of each year.
Proposed Solution	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.
Rationale for DCUSA Objectives	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.
Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.