



DCUSA Change Report

DCP 166 - Additional Text For The DNO Common Connection Charging Methodology To Provide Clarity Where A Customer Requests A Supply Voltage In Excess Of The 'Minimum Scheme' For The Capacity Requested And DCP 166A Alternate Change

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA and details DCP 166 *'Additional text for the DNO Common Connection Charging Methodology to provide clarity where a customer requests a supply voltage in excess of the 'Minimum Scheme' for the capacity requested'* and DCP 166A Alternate Change Proposal (Attachment 3).
- 1.2 The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.
- 1.3 Parties are invited to consider the proposed amendments (Attachment 2) and submit their votes using the form attached as Attachment 1 to dcusa@electralink.co.uk no later than **07 March 2014**.

2 EXECUTIVE SUMMARY

- 2.1 DCP 166 was raised by Eastern Power Networks on the 13 February 2013 to provide clarity in the scenario where a Customer requests a supply voltage or number of supply phases in excess of the 'Minimum Scheme' for the capacity requested. The Minimum Scheme definition is defined in DCUSA Schedule 22 clauses 1.1 to 1.7. *"The Minimum Scheme is the Scheme with the lowest overall capital cost (as estimated by us), solely to provide the Required Capacity"*. The majority of the Working Group agrees that on the basis of the Minimum Scheme any costs in excess of the Minimum Scheme must be met in full by the Customer.
- 2.2 Over a period of one year the DCP 166 Working Group met eight times and issued one consultation. The consultation considered the addition of a new clause 1.12 to the DCUSA Schedule 22 Common Connection Charging Methodology (CCCM) legal text (Please see Attachment 2). The Working Group is split on the proposed legal text as some Working Group members believe that for some Customers three phase is the Minimum Scheme and a capacity threshold should be stipulated above which the costs of the connection are apportioned between the Customer and the DNO. As a result some Working Group members chose to raise an alternate Change Proposal DCP 166A. The majority of the Working Group supports the original DCP 166 Change Proposal.

3 INTENT OF DCP 166 and DCP 166A CHANGE PROPOSAL

- 3.1 DCP 166 has been raised by Eastern Power Networks as a Part 1 matter¹, to provide increased clarity within the DNO Common Connection Charging Methodology where a Customer requests a supply voltage or number of supply phases in excess of the 'Minimum Scheme' for the capacity requested.
- 3.2 DCP 166 follows on from the work of the Commercial Operations Group (COG) Connections Sub Group and the Connection Charging Methodologies Forum (CCMF). The CP seeks to provide further clarity on the principle that the chargeable 'Minimum Scheme' is based solely on providing the capacity the Customer has requested. Where the Customer has specific requirements in respect of the voltage level or number of phases to be provided (which does not match the characteristics of the 'Minimum Scheme'), then any costs in excess of the Minimum Scheme must be met in full by the Customer.
- 3.3 The CP has been drafted to be consistent with the Minimum Scheme definition defined in clauses 1.1 to 1.7 of the DCUSA Schedule 22. *"The Minimum Scheme is the Scheme with the lowest overall capital cost (as estimated by us), solely to provide the Required Capacity"*. It is noted that use of 'capacity' is consistent with the maximum power requirement within the 'notice' referred to in section 16A (2) of the Electricity Act 1989.
- 3.4 DCP 166A alternate Change Proposal was raised by PowerCon UK Ltd. on the 07 November 2013 and seeks to meet the same intent as DCP 166 but with a difference in the proposed new clause where it stipulates that the costs will be apportioned for connections on or above 50kVA if it is not possible to get a single phase generator or consumption device to meet the needs of the Customer.

4 DCP 166 – WORKING GROUP CONSIDERATIONS

- 4.1 The DCUSA Panel has established the DCP 166 Working Group which currently consists of representatives from DNOs, Ofgem and other (non-DCUSA) parties whose work involves electricity network connections.
- 4.2 The DCUSA Panel established a Working Group to assess DCP 166. The Working Group met on eight occasions and was comprised of DNOs, Ofgem and other (non-DCUSA) parties whose work involves electricity network connections.

¹ DCP 166 has been classified as a Part 1 matter in accordance with Clause 9.5.5 as it is likely to amend the Common Connection Charging Methodology set out in Schedule 22. Once progressed, the CP will require Authority consent.

- 4.3 Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk.
- 4.4 The majority of Working Group members were supportive of the general principle of DCP 166.
- 4.5 The Working Group considered that the Common Connection Charging Methodology (CCCM) would benefit from additional text explaining how charges would be applied where a Customer requests a supply voltage and/or number of phases that are unnecessary to provide the capacity requested. This CP captures arrangements that many DNO's have on single phase/split phase overhead line networks which will require the line to be rebuilt to three wire construction if a Customer requires a three phase connection to be provided. The CP will make clear that if the capacity requested could be provided with a single or two phase (split phase) connection from the original line (i.e. the Minimum Scheme) then the Customer must pay in full if it requires the line to be rebuilt to three wire construction so that a three phase connection may be provided.
- 4.6 Most of the Working Group members are in agreement with the current version of the proposed legal text.
- 4.7 The Working Group took in to consideration the alternate views within the Working Group when drafting the consultation.

5 DCP 166 CONSULTATION ONE

- 5.1 The Working Group carried out a Consultation to give DCUSA Parties and other interested organisations (Attachment 4) an opportunity to review and comment on DCP 166. There were eight responses received to the consultation. Six respondents were Distributors, two respondents were large Customers. The Working Group discussed each response and its comments are summarised alongside the collated Consultation responses in Attachment 4.
- 5.2 A summary of the responses received, and the Working Group's conclusions are set out below:

Question 1: Do you understand the intent of the CP?

Respondent Party Type	Yes	No	Undecided
DNOs	6	0	0
Customers	2	0	0

5.3 The Working Group noted that all respondents understood the intent of the CP.

Question 2: Are you supportive of the principles of the CP?

Respondent Party Type	Yes	No	Partially
DNOs	6	0	0
Customers	0	0	2

5.4 Six out of eight of the respondents were supportive of the principles of the change. Two of the respondents were supportive of clarifications to the CCCM but requested recognition of the scenario where it is not possible for a Customer to obtain a single phase generator or appliance at the required size then three phase supply is the Minimum Scheme for this Customer.

5.5 The majority of the Working Group agrees with the definition of the Minimum Scheme as set out in DCUSA Schedule 22 between clauses 1.1 and 1.7. The Working Group noted that those respondents who were only partially supportive of the principles of the change have agreed to raise an alternate Change Proposal (Please see section 7 of this report).

Question 3: Do you have any comments on the proposed legal text?

5.6 Four DNO respondents did not have any further comments and one DNO respondent agreed that the proposed legal text added clarity for the purpose intended by this change. One DNO respondent requested that "*the words 'reinforcing the distribution network' in the proposed new paragraph 1.12 are capitalised and changed to 'Reinforcement of the Distribution System' to align with defined terms in the Methodology Statement*". The Working Group agreed to amend the legal text.

5.7 Two Customer respondents requested an amendment to the proposed legal text to include:

"Where you have requested a three phase connection and/or a supply voltage that is not necessary to meet the Required Capacity, and the local distribution system is not of the requested number of phases and/or voltage, then the cost of reinforcing the distribution system to your specified number of phases and/or voltage will be charged to you in full. However for generation or demand of above 50kw and where a three phase supply has been requested the normal apportionment rules will apply

if it is not possible to obtain a suitable generator or consumption device to perform the required end use function that operates from a single phase supply”.

- 5.8 Some Customer respondents note that the intention of this wording is to ensure that the Customer pays for 100% of the costs of three phase connections below 50kW but for any items on or above 50kW which require the Customer to upgrade to three phase the costs will be apportioned for the connection between the Customer and the DNO. The respondents requested consideration of this change to be applied where it is not practicable for the end user to obtain a suitable single phase device.
- 5.9 The Working Group discussed the response and considered that the Working Group was split on the introduction of a fixed capacity threshold above which costs may be apportioned. The majority of the Working Group agreed that if a single phase/split phase HV networks was upgraded to three phase then the operation of the ‘reinforcement cost apportionment factor’ would result in only a small proportion (typically <5%) of the costs being included in the connection charge. The majority of the Working Group was worried that the remainder of the costs would be a burden to be met by the DUoS Customers.
- 5.10 Where the circuit is upgraded from a single phase line to three phase, the majority of the Working Group thought that if there was cost apportionment above a fixed capacity threshold and in certain circumstances then there would be an insufficient locational signal for Customers. As a result DNOs could be required to make an inefficient investment.
- 5.11 The Working Group notes that some Working Group members will be raising an alternate Change Proposal DCP 166A.

Question 4: Do you believe it would be more appropriate for the proposed legal drafting to be amended to include a level of capacity or capacities below which the new clause will apply?

Respondent Party Type	Yes	No
DNOs	1	5
Customers	2	0

- 5.12 Five DNO respondents did not consider that the threshold capacity above which cost apportionment would apply would be appropriate for the following reasons:

- *"We do not believe that there is a generic level of capacity that can cover all areas of the network"...."the boundary between single phase, split phase or three phase will depend on the specific characteristics and conditions of the network being studied."*
- *"An amendment of this nature would inevitably lead to situations where the general body of customers were burdened with disproportionate levels of cost from 'uneconomic' connection projects ultimately feeding through to use of system charges. In very remote and/or island areas, these costs could be very significant".*
- *"it would be inappropriate to specify any level of capacity as network designs and configurations can evolve over time".* The principle of the CCCM is that it applies equally at all voltage levels and connection scenarios and should be generic and reflect principles that will not generally change.
- *"No, The text is generic, in keeping with the style of CCCM and will apply equally at all voltage levels and all connections scenarios"*

5.13 One DNO considered that the addition of a fixed capacity threshold would add clarity but did not provide any further reasoning. Two Customer respondents agreed that the legal drafting should be amended to provide a fixed capacity threshold which acts as a possible trigger for the application of apportionment but is subject to a further test. The test is based on whether the end user can procure a single phase device or not and as a result whether three phase is the Minimum Scheme for this Customer.

5.14 The majority of the Working Group agreed with the opinion of the five DNO respondents. The Working Group noted that an alternate Change Proposal DCP 166A would be drafted by the customer respondents.

Question 5: If you answered 'yes' to question four above what value of capacity or capacities do you believe should be included?

5.15 There were three respondents to this question who provided two different capacity values of 50kVA and 100kVA. The DNO respondent advised that normal apportionment rules should apply for supplies above 100kVA. The two Customer respondents considered that normal apportionment rules should apply above 50kVA but subject to the test that there are not suitable single phase devices available.

5.16 The majority of the Working Group did not agree with this approach but noted that an alternate Change Proposal DCP 166A would be drafted.

Question 6: If you answered 'yes' to the question five above do you believe it is necessary for other parts of the methodology to be amended? If yes, what amendments should be made? (Please include any proposed legal drafting)

5.17 The DNO respondent who had suggested a capacity level of 100kVA did not believe it would be necessary for other parts of the methodology to be amended as a result.

5.18 The two Customer respondents considered that an adjustment to the Minimum Scheme definition at clause 1.1 of DCUSA Schedule 22 would be required to *"to make it clear that for schemes above, say, 50kw and in cases where a three phase supply has been requested, the provision of a three phase supply should be regarded as the minimum scheme where the connectee would be unable to purchase single phase equipment to perform the function for which the connection was requested"*.

5.19 The majority of the Working Group did not agree with this approach but noted that an alternate Change Proposal DCP 166A would be drafted.

Question 7: Are there any alternative solutions or matters that should be considered by the Working Group?

5.20 Six DNO respondents did not consider there were any alternative matters for the Working Group to consider. The two Customer respondents agreed that all solutions had been considered but there is a difference in opinion as to the outcome from the proposed solutions.

5.21 The Working Group noted that that an alternate Change Proposal DCP 166A would be drafted.

Question 8: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

5.22 All respondents agreed that there was no other wider industry developments that they were aware of that would impact upon this CP.

Question 9: Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments.

1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.
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.
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.

Respondent Party Type	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	None
DNOs	5	0	5	0	0	1
Customers	2	2	2	0	0	0

5.23 Seven respondents agreed with the Working Group opinion that DCUSA General Objective 1 and 3 were better facilitated by this change and provided the following reasons:

- *“General objectives 1 and 3 are better facilitated as it ensures that an efficient, coordinated network is maintained. Without this clarity there may be inefficient development of the network and an absence of economic signals”.*
- *“The CP ensures that DNOs do not ‘over engineer’ networks unnecessarily”.*
- *“Licence Condition 13 requires each DNO to have in force a connection charging methodology and this CP allows the DNO to discharge this obligation efficiently by ensuring the methodology is, as far as reasonably possible, balanced and clear”.*

- 5.24 One DNO respondent did not indicate a preference for any of the DCUSA General Objectives being facilitated by this CP.
- 5.25 Two Customer respondents considered that General Objective 2 was better facilitated by this change. The respondents proposed that the distribution system would only be converted from a single phase to a three phase when it is either funded entirely by a connectee or the connectee requires over 50kW and has no alternative but to require a three phase connection. On this basis the change would not prevent *"generators or demand customers from obtaining a three phase connection when they have no alternative whilst benefiting from the apportionment of costs, competition in generation is facilitated"*. It is noted that following this consultation the respondents agreed to raise an alternative DCP 166A Change Proposal.
- 5.26 The majority of the Working Group agreed that DCUSA Objectives 1 and 3 were better facilitated and not DCUSA Objective 2. The Working Group agreed that the proposal does not prevent the Customer from having a three phase connection but it clarifies the charging principles which should apply.

Question 10: Which DCUSA Charging Objectives does the CP better facilitate?

Please provide supporting comments.

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.

Respondent Party Type	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	None
DNOs	5	0	0	0	0	1
Customers	0	2	2	0	0	0

5.27 Five DNO respondents considered that Objective 1 was better facilitated for the following reasons:

- *“This CP better facilitates DCUSA Charging Objective 1, as implementation of the proposed additional text would improve the level of explanation of potential connection charges set out within the Connection Charging Methodology. This would assist DNO compliance with Standard Licence Condition 13.1”.*
- *“The CP better facilitates Objective 1 of the DCUSA Charging Objectives; ‘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’”.*
- *“The CP improves clarity within the CCCM and enables the DNO to meet its obligation to maintain an efficient and economical Distribution System”.*

5.28 One DNO respondent did not indicate a preference for any of the DCUSA General Objectives being facilitated by this CP.

5.29 Two Customer respondents considered that Objectives 2 and 3 were also better facilitated by this change if their recommendations were taken in to consideration.

- Objective 2 was considered to better facilitated as the change would not prevent *"generators or demand customers from obtaining a three phase connection when they have no alternative whilst benefiting from the apportionment of costs, competition in generation is facilitated"*. It is noted that following this consultation the respondents agreed to raise an alternative DCP 166A Change Proposal.
- Objective 3 was considered to be better facilitated as the Customer respondents considered that this change would better reflect the costs imposed on the consumer by defining *"the level at which the customer can expect to pay either an apportioned or the full amount of the connection costs for the reinforcement conversion works"*. It is noted that following this consultation the respondents agreed to raise an alternative DCP 166A Change Proposal.

5.30 The majority of the Working Group agreed that DCUSA Objective 1 was better facilitated and not DCUSA Objectives 2 and 3. The Working Group noted that that an alternate Change Proposal DCP 166A would be drafted by the Customer respondents.

Question 11: Do you have a preference on the date that DCP166 is implemented into the DCUSA?

5.31 All respondents agreed with the implementation date of DCP 166 as the next DCUSA release following Authority consent.

6 DCP 166 – WORKING GROUP CONCLUSIONS

- 6.1 The Working Group reviewed each of the responses received to consultation one and concluded that the majority of the respondents understood the intent of DCP 166.
- 6.2 The Working Group agreed that the majority of respondents were supportive of the principle of the CP.
- 6.3 The Working Group noted that two respondents were supportive of the principle of the change in providing clarifications to the CCCM but requested for recognition of the scenario where it is not possible for a Customer to obtain a single phase generator or appliance at the required size then three phase supply is the Minimum Scheme for this Customer. However, the majority of the Working Group agrees with the definition of the Minimum Scheme as set out in DCUSA

Schedule 22 between clauses 1.1 and 1.7) and considers the Customers respondents view to be a different interpretation. The two Customer respondents agreed that they had a different view to the Working Group and agreed to raise an Alternate Change Proposal for the Authorities consideration (Please see section 7 of this report).

6.4 The Working Group noted that the majority of respondents felt that specifically DCUSA General Objectives 1 and 3 and DCUSA Charging Objective 1 were better facilitated by this change.

6.5 The Working Group concluded that the CP will provide the following benefits:

- by adding further clarity to the CCCM and assisting users to understand what costs are expected to be paid by the Customer through the addition of Clause 1.12.
- Ensure the fulfilment of each of the DNOs obligation under Standard Licence Condition 13.1 to at all times have in force a Connection Charging Methodology which includes the Common Connection Charging Methodology. The DNO Licences define a Connection Charging Methodology as 'a complete and documented explanation, presented in a coherent and consistent manner, of the methods, principles, and assumptions that apply....in relation to connections, for determining the Licensee's Connection Charges'

7 ALTERNATE CHANGE PROPOSAL RAISED

7.1 Two Working Group members disagreed with the Working Group majority's preferred solution and exercised the right to raise an alternate proposal (DCP166A, Attachment 3 to this report). The Change Proposal builds on the suggestion that for supplies above a certain capacity a three phase connection would be the Minimum Scheme and not a single phase connection if a suitable single phase device could not be procured.

7.2 The alternative CP proposes that normal apportionment rules should apply for three phase connections above the capacity level of 50kVA where the connectee is unable to purchase single phase equipment to perform the function for which the connection was requested.

7.3 The application of the apportionment rules to the three phase connection above 50kVA would be subject to the test that there are not suitable single phase

devices available to the connectee and that the three phase connection requested is therefore the Minimum Scheme.

- 7.4 Further analysis was undertaken in developing the DCP 166A legal text. It was agreed to use the unit of kVA to denote the capacity level as opposed to kW originally proposed in the alternate CP. The legal text for the alternate proposal acts as Attachment 2 to this report.

8 EVALUATION AGAINST THE DCUSA OBJECTIVES

- 8.1 The majority of the Working Group considers that DCUSA General Objectives 1 and 3 and DCUSA Charging Objective 1 are better facilitated by DCP 166. Some Working Group members considers that DCUSA General Objectives 1 and 3 and DCUSA Charging Objective 1 are better facilitated by DCP 166A. The reasoning against each objective is detailed below:

General Objectives

General Objective One – *The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks.*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that Objective one is better facilitated by this change as it adds clarity to the methodology and helps to ensure an efficient and co-ordinated network is developed through the provision of the relevant economic signals.
- **Some Working Group members view on DCP 166A:** Some Working Group members consider that Objective one is better facilitated by this change as it adds clarity to the methodology and helps to ensure an efficient and co-ordinated network is developed through the provision of the relevant economic signals.

General Objective Two – *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.*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that the impact on General Objective two is neutral.

- **Some Working Group members view on DCP 166A:** Some Working Group members agreed that the impact on General Objective two is neutral.

General Objective Three –*The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences.*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that General Objective three is better facilitated by this change as licence condition 13 requires each DNO to have a connection charging methodology in force. This Change Proposal facilitates the fulfilment of this obligation in keeping the CCCM in line with current practices and clearly stating those charges to the Customer.
- **Some Working Group members view on DCP 166A:** Some Working Group members agreed that General Objective three is better facilitated by this change as licence condition 13 requires each DNO to have a connection charging methodology in force. This Change Proposal facilitates the fulfilment of this obligation in keeping the CCCM in line with current practices and clearly stating those charges to the Customer.

General Objective Four –*The promotion of efficiency in the implementation and administration of this Agreement.*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that the impact on General Objective four is neutral.
- **Some Working Group members view on DCP 166A:** Some Working Group members agreed that the impact on General Objective four is neutral.

General Objective Five – *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.*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that the impact on General Objective five is neutral.
- **Some Working Group members view on DCP 166A:** Some Working

Group members agreed that the impact on General Objective five is neutral.

Charging Objectives

Charging Objective One - *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.*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that Objective one is better facilitated by DCP 166 as it improves clarity within the methodology and acts to maintain an efficient and economical Distribution System.
- **Some Working Group members view on DCP 166A:** Some Working Group members agreed that Objective one is better facilitated by DCP 166A as it improves clarity within the methodology and acts to maintain an efficient and economical Distribution System.

Charging Objective Two - *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).*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that the impact on Charging Objective two is neutral.
- **Some Working Group members view on DCP 166A:** Some Working Group members agreed that the impact on Charging Objective two is neutral.

Charging Objective Three - *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.*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that the impact on Charging Objective three is neutral.
- **Some Working Group members view on DCP 166A:** Some Working Group members agreed that the impact on Charging Objective three is neutral.

Charging Objective Four - *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.*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that the impact on Charging Objective four is neutral.
- **Some Working Group members view on DCP 166A:** Some Working Group members agreed that the impact on Charging Objective four is neutral.

Charging Objective Five - *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 (ACER).*

- **Majority Working Group view on DCP 166:** The majority of the Working Group agreed that the impact on Charging Objective five is neutral. DCP 166 was not raised as the result of a legally binding decision of the European Commission or ACER and therefore does not better facilitate Charging Objective five.
- **Some Working Group members view on DCP 166A:** Some Working Group members agreed that the impact on Charging Objective five is neutral. DCP 166A was not raised as the result of a legally binding decision of the European Commission or ACER and therefore does not better facilitate Charging Objective five.

9 IMPACT ON GREENHOUSE GAS OMISSIONS

9.1 In accordance with DCUSA clause 11.14.6, the Working Group assessed whether there would be a material impact on greenhouse gas emissions if DCP 166 or DCP 166A were implemented. The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of either of these Change Proposals.

10 IMPLEMENTATION

10.1 Subject to Party approval, DCP 166 or DCP 166A will be implemented in the next DCUSA release following Authority consent.

11 PANEL RECOMMENDATION

11.1 The DCUSA Panel approved the DCP 166 and DCP 166A Change Report on 19 February 2014. The timetable for the progression of the CPs is set out below:

Activity	Target Date
Change Report Agreed	19 February 2014
Change Report Issued For Voting	21 February 2014
Party Voting Ends	07 March 2014
Change Declaration Issued	11 March 2014
Authority Decision ²	15 April 2014
Implementation	Next DCUSA Release following Authority Consent

12 ATTACHMENTS:

- Attachment 1 – DCP 166 and DCP166A Voting Form
- Attachment 2 – DCP 166 Proposed Legal Text
- Attachment 2 – DCP 166A Proposed Legal Text
- Attachment 3 - DCP 166 Change Proposal
- Attachment 3 –DCP 166A Change Proposal
- Attachment 4 – DCP 166 Consultation Documents

² Indicative decision date based on the 25 Working Day KPI