

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
CP Number	DCP 166
Date of submission	13 th February 2013
Attachments	No
Originator Details	
Company Name	Eastern Power Networks
Originator Name	Neil Magrath
Category	DNO
Email Address	neil.magrath@ukpowernetworks.co.uk
Phone Number	01279 824821
Change Proposal Details	
CP Title	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.
Impacted parties	DNOs and IDNOs
Impacted Clause(s)	Proposed new CCCMS paragraph number 1.12
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	
Change Proposal Intent	
To provide increased clarity within the DNO Common Connection Charge Methodology where a customer requests a supply voltage or number of supply phases in excess of the 'minimum scheme' for the capacity requested.	
Business Justification and Market Benefits	
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.	
The ENA Commercial Operations Group has a connections sub group (COG CSG) which meets to consider improvements to connection charge methodology and associated matters. The Connection Charging Methodologies Forum (CCMF) consists of COG CSG representatives plus a number of customer representatives. A member of the CCMF has questioned how DNOs apply charges where an existing 2 wire single phase line is required to be upgraded to 3 wire 3 phase in order to provide for a new connection. The question has highlighted that the existing Common Methodology would benefit	

from additional text to provide further clarity on how charges will be applied.

DNOs have extensive high voltage 2 wire 'single phase' overhead line networks supplying rural areas. In general these provide an efficient and economical method of electricity distribution for low capacity customer requirements. Any upgrade to 3 wire 3 phase is likely to require extensive works including new poles and cross-arms, in addition to the third wire.

The Common Methodology includes at paragraph 1.1:

1.1 The Minimum Scheme is the Scheme with the lowest overall capital cost (as estimated by us), solely to provide the Required Capacity. The Minimum Scheme will be subject to:

- *accepted industry standards, including the requirements of the Distribution Code;*
- *the status and configuration of the Relevant Section of Network (RSN);*
- *the standard sizes and types of equipment currently used by us on our Distribution System which shall be reasonable in all the circumstances;*
- *maintaining our ability to minimise regulatory penalties associated with the Interruptions Incentive Scheme and the Guaranteed Standards of Performance; and*
- *where the Customer is an LDNO, maintaining the Customer's ability to minimise regulatory penalties associated with the Guaranteed Standards of Performance.*

and shall be consistent with our statutory and licence obligations including the requirement to develop, maintain and operate an efficient, co-ordinated and economical electricity Distribution System.

The Common Methodology includes at paragraph 1.11:

1.11 Where you have requirements for additional security or the characteristics of your load requires us to install assets in excess of the Minimum Scheme then you will pay the costs in excess of the Minimum Scheme in full.

It is clear that the Common Methodology acknowledges that the 'minimum scheme' is that to provide the Required Capacity and if the customer requires additional assets the works will be charged in full. This means that if the customer requires a three phase connection but where an existing single phase network can provide the Required Capacity then the customer must pay in full for the upgrade works.

Alternatively, if the customer requests a three phase connection but where it would not be possible for an existing single phase network to provide the Required Capacity, then upgrading the line to three phase would be considered to form part of the 'minimum scheme' and the Cost Apportionment Factor may be applied where applicable, and in such cases the customer would pay only a proportion of the upgrade costs.

Proposed Solution and Draft Legal Text

The COG CSG proposes to provide further clarity on this point by means of an additional paragraph number 1.12 within the Common Methodology. All existing text will remain. Existing paragraph numbers 1.12 to 1.15 will be renumbered as 1.13 to 1.16 respectively.

The new paragraph will read as follows:

1.12 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.

Proposed Implementation Date

As soon as practicable following Ofgem 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

n/a

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

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

The common connection charging methodology supports the section 9 obligation in providing appropriate economical signals for consistent application.

3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences

Improved clarity within the common connection charging methodology will help ensure more consistent application of relevant licence conditions (SLC13, SLC14).

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 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

Improved clarity within the common connection charging methodology will help ensure more consistent application of relevant licence conditions (SLC13, SLC14).

General Objectives:

1 - The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks

The common connection charging methodology supports the section 9 obligation in providing appropriate economical signals for consistent application.

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

The proposals have been presented to the COG Connections Sub Group on 4 December 2012 and 9 January 2013.

The topic has also been discussed at the Connection Charging Methodologies Forum on 13 September 2012 and 4 December 2012.

A letter has been received from a CCMF customer representative which includes:

*....In order to rectify the above, to be prescriptive and in order to remove any further doubt or debate on this issue may I request that the COG be requested to suggest amendments to the Common Charging Methodology Statements to the effect that :-
The existing CAF Rules for apportionment are applicable and relevant to 2 wire to 3wire reinforcement projects and should be applied to situations whereby either the load or generation (export) capacity becomes the driver for the work. For clarity it is considered that this will only be applicable for connections over (say) 49KVA ***.*

It is considered that the proposal is consistent with this request.

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.