



SECOND DCUSA CONSULTATION

DCP 179 - Amending the CDCM Tariff Structure

1 Purpose

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors and electricity Suppliers and large Generators. Parties to the DCUSA can raise Change Proposals (CPs) to amend the Agreement with the consent of other Parties and (where applicable) Ofgem.
- 1.2 This document is a Consultation issued to Distributors, Suppliers, Consumer Focus, Ofgem and other interested Parties seeking industry views on DCP 179 'Amending the CDCM tariff structure'. This is the second consultation issued in relation to DCP 179 and seeks industry participants' comments on the latest version of the DCP 179 legal text.
- 1.3 You are invited to consider the questions set out in section 4 below and submit comments using the form provided as Attachment 1 to DCUSA@electralink.co.uk. Responses to this consultation should be submitted no later than **Friday, 18 July 2014**.

2 Background

- 2.1 On 2 June 2014 the DCP 179 Working Group issued a consultation to industry participants seeking views on the proposed change. This consultation and the responses received are provided as Attachment 2.
- 2.2 A number of respondents to the first DCP 179 consultation suggested amendments to the DCP 179 legal text (for more details on these suggested changes please see Attachment 2.) Taking into account the comments received, the DCP 179 Working Group has updated the DCP 179 legal text in the following areas:
- Comments referring to option 2 in P300 have been removed as this is no longer being progressed;
 - Para 19.5 in section 2A amended;
 - Para 20 in section 2A amended;
 - Table formatting tidied up;
 - Para 131(a) moved to para 132(a);
 - Paragraph 135(a) amended to refer to HH settled customers rather than HH metered customers and to state that the clause is only applicable when the new measurement classes become available, plus a number of other minor amendments;
 - Table after para 135(a) amended to show metering type;
 - Para 140(c) wording amended;

- Para 142 amended to include reference to 'LV generation aggregate HH';
- Table 9 amended to indicate that there is no reactive charge for LV generation NHH or aggregate HH;
- Changes to schedules 17 & 18 to refer to new version of the EDCM model.

2.3 The updated legal text is provided as Attachment 3. Whilst the amendments made to the text are not substantial in their nature, the Working Group has decided to issue this second consultation to enable market participants to review and comment on the revised legal text.

3 Aggregated tariffs and 'De-linking'

3.1 The Working Group have identified that the introduction of Aggregated HH tariffs presents an opportunity to gradually remove the discrepancy that currently exists in the industry whereby some networks bill using SSC/TPR combinations and some bill on a de-linked basis. This has been a long standing issue and there is currently an industry working group looking at it. However the difficulty in this area is that any single move to a unified billing approach will inevitably lead to significant system changes for a number of parties.

Paragraph 140c – current proposal:

140c *DNO specific network time bands will be applied to either,*
 a) *the appropriate SSC/TPR combinations stated in paragraph 140b, or*
 b) *where the SSC/TPR combination in the D0030 is set to an unrestricted combination, (i.e. where a DNO uses a de-linked or partly de-linked billing system) within the DNO Parties billing system.*

3.2 This legal text, through 140c (b) still permits those DNOs which are de-linked to use an unrestricted SSC/TPR combination for HH aggregated tariffs, meaning that the industry will continue to use two different approaches for billing and validation.

3.3 However, the Working Group considers that if those DNOs which are de-linked also set up SSC/TPR combinations for their HH Aggregated tariffs which align with their Red, Amber and Green timebands (as all other DNOs will need to do), then even though the internal workings of their billing system will remain de-linked, their D0242 will display the Red, Amber and Green splits of charges and consumption in the same way as if they were billing on the basis of 'linked' SSC/TPRs. Over time therefore as all customers migrate to a

HH tariff the discrepancy between 'de-linked' and not 'de-linked' billing will gradually reduce until it is effectively removed.

Paragraph 140c – alternative proposal:

The working group are therefore seeking views on an alternative proposal for paragraph 140c as shown below:

140c DNO specific network time bands will be applied to the appropriate SSC/TPR combinations stated in paragraph 140b.

- 3.4 This alternative legal text for paragraph 140c would require all DNOs (regardless of whether their billing system operates on a delinked basis or not) to set up SSC/TPR combinations which match their timebands. The Working Group considers that over time this would reduce and gradually remove the discrepancy between billing on a de-linked basis and billing on a linked basis without any impact on systems.
- 3.5 The Working Group is seeking views on this alternative legal text for paragraph 140c. Depending on the responses to this consultation, the Working Group will either continue with the current drafting of the legal text, or move to the alternative proposal presented above.

4 Consultation Questions

- 4.1 The Working Group is seeking responses to the following questions:
1. Do you have any comments on the updated DCP 179 legal text?
 2. What is your preferred approach for the legal text for paragraph 140c with respect to how the aggregated tariffs should be set up where the DNO utilises a form of de-linking?
 3. Are there any unintended consequences of the alternative proposal for paragraph 140c?
- 4.2 Responses should be submitted using Attachment 1 to dcusa@electralink.co.uk no later than **Friday, 18 July 2014**.

5 NEXT STEPS

- 5.1 Responses to the Consultation will be reviewed by the DCP 179 Working Group. The group will use the responses received to aid it in its development of the CP.
- 5.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA helpdesk by email to dcusa@electralink.co.uk or telephone 020 7432 2842.

ATTACHMENTS

- Attachment 1 - Response form
- Attachment 2 – Consultation One
- Attachment 3 - Proposed Legal text