

## 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

Document Control	
CP Status	Standard / <del>Urgent</del>
CP Number	214
Date of submission	09/07/14
Attachments	[See Guidance Note 1]
Originator Details	
Company Name	Eastern Power Networks
Originator Name	Peter Waymont
Category	<del>DG</del> / DNO / <del>IDNO</del> / <del>OTSO</del> / <del>SUPPLIER</del> / <del>OTHER</del>
Email Address	Peter.waymont@ukpowernetworks.co.uk
Phone Number	07875112757
Change Proposal Details	
CP Title	Voting
Impacted parties	All
Impacted Clause(s)	Clause 12 and Clause 13
Part 1 / Part 2 Matter	[See Guidance Note 2] Part 1
Related Change Proposals	[See Guidance Note 3] none
Change Proposal Intent	
To ensure that the recommendation made to Ofgem of a Part 1 change or the outcome of a Part 2 change truly reflects the interests (voting or otherwise) of the parties.	
Business Justification and Market Benefits	
<p>At present the DCUSA voting is based on party categories and a Part 1 vote has to receive more than 50% acceptance from those who voted, from all party categories, in order to be recommended for acceptance.</p> <p>Recent voting has resulted in recommendations being made to Ofgem that a DCP should be rejected, based on the votes of one or two parties who voted in a Party Category and so determined the outcome for that category. However it can be argued that such an outcome does not truly reflect parties' views if many in that Party Category did not feel impacted sufficiently enough to even exercise their vote.</p> <p>A non-vote should be considered in the outcome and the percentages for acceptance or rejection should reflect the interest of all parties in a category rather than just those that vote.</p> <p>This is particularly relevant as an Ofgem decision can only be appealed if it differs from the</p>	

recommendation of the Parties.

To be fair and equitable that recommendation should reflect the impact on and views of all Parties and not just those who voted.

#### **Proposed Solution and Draft Legal Text**

A non-vote should be given the category of "neutral".

Voting in each Party Category should be reworded such that the outcome of a Part 1 vote for each party category is to accept if more than 50% of the weighted vote, when considered against all parties in the category, is to accept and should be to reject if more than 50% of the weighted vote, when considered against all parties in the category, is to reject, and is otherwise neutral.

The outcome across all parties should be a recommendation to reject if any party category's calculation results in rejection, to accept if no party categories reject and at least one party category accepts and to withdraw/send back the change if the outcome for every party category is neutral. Similar in regard to Part 2 matters.

12.8 The vote of each Group shall be allocated a weighting expressed as a percentage of the votes of all of the Groups within the same Party Category ~~who voted~~ (the **Weighted Vote**), which weighting shall be calculated in accordance with the provisions of Clauses 12.9 to 12.16.

12.9 In the case of:

12.9.1 the Party Category comprising the IDNO/OTSO Parties; ~~or~~

12.9.2 the Party Category comprising the Gas Supplier Parties; ~~or~~

12.9.3 ~~any other Party Category where five or fewer Groups in that Party Category cast their vote,~~

each Group in the Party Category shall have an equal Weighted Vote, calculated by dividing 100% by the number of Groups within that Party Category ~~who cast their vote~~.

**TN** is, in respect of any Group, the sum of the values of N for all the Groups within the same Party Category as that Group ~~which cast a vote~~.

12.13 For the purposes of Clause 12.10, the Surplus Vote Adjustment (**SVA**) shall:

12.13.1 in respect of a Party Category within which the Basic Vote of any Group is

greater than 20%:

- (A) for that Group, have a negative value equal to the sum by which its Basic Vote is greater than 20% (the Surplus Vote); and
- (B) for each other Group within the same Party Category ~~who casts a vote~~, be calculated in accordance with Clause 12.14; and

in respect of each Group in any other Party Category, have the value of zero.

**XN** is the sum of the values of N for all the Groups in the same Party Category as that Party ~~which cast a vote~~, excepting those with a Surplus Vote.

12.15.2 the amount by which the Weighted Vote of that Group would otherwise have exceeded 20% shall be allocated between the other Groups within the same Party Category ~~which cast a vote~~ and which have Weighted Votes of less than 20%;

## **Part 1 Matters**

13.5 Where a Change Proposal relates to a Part 1 Matter, the Parties shall:

13.5.1 be deemed to recommend to the Authority that the proposal should be ~~accepted~~ ~~rejected~~ where, in respect of ~~each~~ any Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to ~~accept~~ reject the proposal is more than 50%; and

13.5.2 be deemed to recommend to the Authority that the proposal should be accepted where, in respect of any Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the proposal is more than 50% and no other Party Category exists where the sum of the Weighted Votes of the Groups in that Party Category which voted to reject the proposal is more than 50%; and

13.5.3 in all other cases, be deemed to recommend to the Authority that the proposal should be ~~withdrawn~~.

## Part 2 Matters

13.6 Where a Change Proposal relates to a Part 2 Matter, that proposal shall be accepted where, in respect of ~~each~~ any Party Category that was eligible to vote:

13.6.1 the number of Groups in that Party Category which voted to accept the proposal is greater than 65% of the total number of Groups in that Party Category ~~which voted~~; and

~~13.6.2~~ the sum of the Weighted Votes of those Groups in that Party Category, ~~to which 13.6.1 applies~~, which voted to accept the proposal is greater than 65% .; and

~~13.6.3~~ the number of Groups in any other Party Category which voted to reject the proposal is not greater than 35% of the total number of Groups in that Party Category; and

~~13.6.4~~ the sum of the Weighted Votes of those Groups in that Party Category, to which ~~13.6.3~~ applies, which voted to reject the proposal is greater than 35%.

~~13.7~~ Where a Change Proposal relates to a Part 2 Matter, that proposal shall be rejected where, in respect of ~~each~~ any Party Category that was eligible to vote:

~~13.7.1~~ the number of Groups in that Party Category which voted to reject the proposal is greater than 35% of the total number of Groups in that Party Category ~~which voted~~; and

~~13.7.2~~ the sum of the Weighted Votes of those Groups in that Party Category, to which ~~13.7.1~~ applies, which voted to reject the proposal is greater than 35%.

Notwithstanding such rejection, where:

13.7.1 the tests under Clauses 13.~~6~~7.1 and 13.~~6~~7.2 are satisfied in respect of all the Party

Categories that were eligible to vote and that comprise 3 or more Groups; and

13.7.2 such rejection occurred only because either or both of the tests under Clauses 13.67.1 and 13.67.2 were not satisfied in respect of one or more Party Categories that comprise fewer than 3 Groups,

then, the Change Proposal shall be deemed to relate to a Part 1 Matter and the Parties shall be deemed to recommend to the Authority that the proposal should be rejected.

13.78 In all other cases a Change Proposal which relates to a Part 2 Matter shall be ~~rejected~~ withdrawn.

[See Guidance Note 4]

#### Proposed Implementation Date

[See Guidance Note 5]  
First release after approval

#### 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"/>
SEC	<input type="checkbox"/>
Other	<input type="checkbox"/>
None	<input checked="" type="checkbox"/>

If other please specify

#### Consideration of Wider Industry Impacts

[See Guidance Note 6]  
**none**

#### Environmental Impact

[See Guidance Note 7]

none

**Confidentiality**

[See Guidance Note 8]

no

**PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS**

**DCUSA Objectives**

General Objectives:

Please tick the relevant boxes. [See Guidance Note 9]

- ☐ 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.

**Detailed rationale for better facilitation of the DCUSA Objectives identified above**

[See Guidance Note 10]

It promotes competition by ensuring that the vote truly represents the interest of Parties rather than the interests of a few Parties.

It promotes efficiency in that the outcome of voting is more representative.

**PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS**

**DCUSA Charging Objectives**

Please tick the relevant boxes. [See Guidance Note 11]

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.

**Detailed rationale for better facilitation of the DCUSA Objectives identified above**

[See Guidance Note 10]

Charging Objectives:

General Objectives:

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

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. [www.dcusa.co.uk](http://www.dcusa.co.uk)

Ref	Data Field	Guidance
1	<b>Attachments</b>	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	<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.
3	<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.
4	<b>Proposed Solution and Draft Legal Text</b>	<p>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. The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting) which enacts the intent of the solution. The legal text will be reviewed by the Working Group (if convened) and is likely to be subject to legal review as part of its progress through the DCUSA change process.</p>
5	<b>Proposed Implementation Date</b>	<p>The Change can be implemented in February, June, and November of each year or as an extraordinary release. For Charging Methodology CPs, select an implementation date which takes in to consideration the deadlines for publishing indicative tariffs.</p> <ul style="list-style-type: none"> <li>• Submission of Company indicative tariffs is 31 December of each year.</li> <li>• Final tariffs are published on 1 April of each year.</li> </ul> <p>Please select an implementation date that provides sufficient time for the change to be incorporated into the appropriate charging model and the DCUSA in order to be reflected within the December indicative tariffs.</p> <p>Contact the DCUSA helpdesk for any further information on the releases <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a>.</p>
6	<b>Consideration of Wider Industry Impacts</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>7</b>	<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>8</b>	<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>9</b>	<b>DCUSA General Objectives</b>	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
<b>10</b>	<b>Detailed Rationale for DCUSA Objectives</b>	Provide detailed 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>11</b>	<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.