



## **DCUSA Change Report**

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### **DCP 246 - Correction to Unintended Consequence of Implementation of DCP 239**

## 1 PURPOSE

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- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA and details DCP 246 'Correction to unintended consequence of implementation of DCP 239'.
- 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](mailto:dcusa@electralink.co.uk) no later than **9 October 2015**.

## 2 BACKGROUND

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- 2.1 DCP 239 'Alignment of DCP 195A Smart Meter Installation Forecasts Submission Dates with DECC Reporting' was implemented on 1 July 2015. This CP had the unintended consequence of moving the date when Distributors are bound by the SLAs approved under DCP 195A from 1 April 2016 to 1 July 2016. This has happened as a result of the linkage in DCUSA Clause 30.5D.1 to 30.5F.2
- 2.2 Under DCP 239 Clause 30.5F.2 has been amended to:  
  
*"For the Quarter commencing on 1 July 2015 and each subsequent quarter, the User will produce and send to the Company a report in accordance with Part 4 of Schedule 24 for that Quarter and the subsequent periods required in accordance with the specified template. The User must send the report for each such Quarter to the Company by the last Working Day of the first month of the Quarter."*
- 2.3 Clause 30.5D.1 states that:  
  
*"the obligations of the Company that are subject to the Service Levels shall only apply with effect from the date 12 months after the date referred to in Section 30.5F.2."*
- 2.4 DCP 246 was raised by British Gas and the intent of the change is to amend the date when the Service Levels under DCP 195A apply to 1st April 2016 as originally approved by Ofgem. The proposer of DCP 246 explains that DCP 195A was approved by Ofgem in August 2014 and included a suite of Service Levels which were intended to apply from April 2016. The

Service Levels were put in place to support the Smart Meter roll-out and assist Suppliers in meeting their 2020 obligations. By delaying the date by which the agreed SLAs will be effective from may impact on Suppliers ability to meet the smart meter roll out timescales.

- 2.5 During the Initial Assessment of DCP 246, with reference to DCSUA Clause 9.4, the DCUSA Panel agreed that the CP should be classed as a Part 2 matter as it has been raised to correct an unintended consequence. The DCUSA Panel also agreed that the CP did not require a Working Group and instead should be progressed straight to the Report Phase, in accordance with DCUSA Clause 11.5.

### **3 DCP 195A REVIEW GROUP DISCUSSIONS**

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- 3.1 Whilst a Working Group was not formed for DCP 246, it was considered by the DCP 195A Review Group at its meeting on 27 June 2015.
- 3.2 Two DNO members of the DCP 195A Review group noted that they did not see moving the date when Distributors are bound by the SLAs from 1 April 2016 to 1 July 2016 as an unintended consequence of DCP 239. They explained that they were aware of this consequence and voted in favour of DCP 239 on this basis. They further highlighted that if the dates were brought forward again they thought they would need to start gathering data on performance against the SLAs very soon which they are not currently in a position to do.
- 3.3 In response to these comments, it was highlighted that the intent of DCP 239 did not seek to amend the SLA reporting dates. It was also noted that the impact on the SLA reporting dates was not documented in the DCP 239 Change Report, thus Parties were not explicitly made aware of it when being invited to vote on the proposal.
- 3.4 Further to the DCP 195A Review group, the proposer has reviewed the legal text and believes that the changes introduced by DCP 239 do not impact on the date when performance reports against the SLA's are due. Clause 30.5F.1 states:

*“Starting with the Quarter commencing on 1 April 2015, the Company will produce a report in accordance with Part 3 of Schedule 24 for its Distribution Services Area, and in respect of each Quarter. The Company will send that report to the User within 55 Working Days after the end of that Quarter.”*

#### 4 PROPOSED LEGAL TEXT

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- 4.1 The DCP 246 proposed legal drafting has been reviewed by the DCUSA legal advisors and is provided as Attachment 2. The legal text amends Clause 30.5D.1 as follows:

*The obligations of the Company that are subject to the Service Levels shall only apply with effect from ~~the date 12 months after the date referred to in Section 30.5F.2~~ 1 April 2016.*

#### 5 EVALUATION AGAINST THE DCUSA OBJECTIVES

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- 5.1 DCP 246 has been assessed against the DCUSA General Objectives:

##### **Objective 1<sup>1</sup> – Better Facilitated**

- 5.2 The CP better meets DCUSA General Objective One by ensuring that network issues reported to the network companies are rectified within agreed timescales therefore contributing to the efficiency of the network.

##### **Objective 2<sup>2</sup> – Better Facilitated**

- 5.3 The CP better meets General Objective Two as the proposal will help Suppliers in managing customer expectations with regard to fault resolution. This will assist those Suppliers who are carrying out meter exchanges to support specific customer propositions and therefore help to improve competition in the electricity supply market.

##### **Objective 3<sup>3</sup> – Better Facilitated**

- 5.4 The CP better meets General Objective 3 as Licence Condition 21 “The Distribution Code” places obligations on licensees to ensure licensees operate their network in an efficient, co-

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

<sup>2</sup> 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

<sup>3</sup> The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.

ordinated and economical manner. The proposed changes will assist network owners in ensuring these obligations are met.

#### **Objective 4<sup>4</sup> –No Impact**

#### **Objective 5<sup>5</sup> – Better Facilitated**

- 5.5 The CP better facilitates Objective five by supporting the EU's requirement to install smart meters.

## **6 IMPACT ON GREENHOUSE GAS OMISSIONS**

- 3.1 In accordance with DCUSA Clause 11.14.6, it was assessed whether there would be a material impact on greenhouse gas emissions if DCP 246 were implemented. The proposer did not identify any material impact on greenhouse gas emissions from the implementation of DCP 246.

## **7 IMPLEMENTATION**

- 7.1 DCP 246 will be implemented in the November 2015 DCUSA Release. The CP has been classed as a Part 2 Matter and therefore does not require Authority consent.

## **8 PANEL RECOMMENDATION**

- 8.1 The DCUSA Panel approved the DCP 246 Change Report on 16 September 2015. The timetable for the progression of the CP is set out below:

<b>Activity</b>	<b>Target Date</b>
Change Report Approved by DCUSA Panel	16 September 2015
Change Report Issued For Voting	18 September 2015
Party Voting Ends	9 October 2015
Change Declaration	13 October 2015
Implementation	5 November 2015

<sup>4</sup> The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it

<sup>5</sup> 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.

8.2 Parties are invited to vote on DCP 246 using the voting form provided as Attachment 1 to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) no later than **9 October 2015**.

## 9 ATTACHMENTS

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- Attachment 1 – DCP 246 Voting Form
- Attachment 2 – DCP 246 Proposed Legal Text
- Attachment 3 – DCP 246 Change Proposal