

## 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

<b>Document Control</b>	
CP Status	Standard
CP Number	DCP 255
Date of submission	6 November 2015
Attachments	[See Guidance Note 1]
<b>Originator Details</b>	
Company Name	Electricity North West
Originator Name	Brian Hoy
Category	DNO
Email Address	<a href="mailto:Brian.hoy@enwl.co.uk">Brian.hoy@enwl.co.uk</a>
Phone Number	07795447817
<b>Change Proposal Details</b>	
CP Title	Changes to Electricity (Connection Charges) Regulations 2002
Impacted parties	DNOs, IDNOs, Distributed Generation
Impacted Clause(s)	Schedule 22
Part 1 / Part 2 Matter	Part 1
Provide your rationale why you consider this change is a Part 1 or Part 2 Matter	Clause 9.4.2 (B) and (D)
Related Change Proposals	
<b>Change Proposal Intent</b>	
To incorporate changes in the CCCM as a result of changes to the Electricity (Connection Charges) Regulations 2002	
<b>Business Justification and Market Benefits</b>	
<p>DECC has issued an informal consultation on changes to the Electricity (Connection Charges) Regulations 2002. This will extend the scope of the existing Regulations to assets installed by ICPs and extend the period from 5 to 10 years.</p> <p>Whilst the final drafting of the new Regulations is not finalised, DECC has proposed that they come in to effect from 6 April 2016. The current drafting of the CCCM is not compatible with the proposed changes and therefore this change is initiated to support the proposed DECC implementation date.</p> <p>More detail can be found on the DECC website, including a breakdown of the changes and a draft set of Regulations - <a href="https://www.gov.uk/government/publications/potential-changes-to-the-electricity-">https://www.gov.uk/government/publications/potential-changes-to-the-electricity-</a></p>	

## Proposed Solution and Draft Legal Text

The proposed legal text below is based on the proposed changes to the ECCR. It however needs further development in that these changes are only applicable for new connections from the 6<sup>th</sup> April 2016. Any connections pre this date still need to be catered for under the current regulations

1.22 For avoidance of doubt, where the costs of Reinforcement are borne in full by you and any capacity created is used to accommodate new or increased connections within five-ten years, the ECCR will apply (see paragraphs 1.35 - 1.38).

### Recovery of costs for previous works

1.29 Where, in order to provide your connection;

- we propose to utilise existing Distribution System assets that were previously installed to provide a connection to another Customer, and
- the other Customer has paid us (either in part or in full) a Connection Charge for those assets

you may be required to make a payment towards them. The ECCR prescribes the circumstances where such payment is required. Charges for such works only apply where the new connection is provided within five-ten years of the original Distribution System assets being provided.

### Rebates

1.35 For Distribution System assets where you have paid in full, then you may be entitled to a future rebate of charges should another Customer connect to those assets. These circumstances are detailed in the ECCR.

1.36 For Distribution System assets where you have paid in proportion to your Required Capacity, then you are not entitled to a future rebate of charges should another customer connect to those assets.

1.37 Your entitlement to receive payments under paragraph 1.35 only applies to connections made within five-ten years from the first provision of the connection.

1.38 These provisions ~~do not also~~ apply where we have adopted the assets from an ICP though they will be based on our estimate of the ICP's costs associated with those assets as detailed in as we

~~have not incurred the relevant expenses nor has an initial contributor made payment to us in accordance with Regulations 5 and 5(b) of~~ the ECCR.

### Section 2 – Glossary of Terms

ECCR

the Electricity (Connection Charges) Regulations 2002 (SI 2002/93) as amended from time to time.

## Proposed Implementation Date

6 April 2016

## Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

- BSC
- CUSC
- Grid Code
- MRA
- SEC
- Other
- None

If other please specify

### Consideration of Wider Industry Impacts

This change proposal ensures that Distributors meet their Statutory Instrument obligations

### Environmental Impact

There is no environmental impact of this change proposal

### Confidentiality

none

## 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

### Gen Objective 1

The extension of the prescribed period from five to ten years will increase the period over which DNOs can recover reinforcement costs thereby reducing the cost of reinforcement borne by DUoS customers.

### Gen Objective 2

The extension of the ECCR provisions to ICPs removes a perceived barrier to the use of ICPs where customers may be deterred from using an ICP where the ECCR provisions do not apply.

## 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:

*Ch Objective 1*

The new Regulations are enacted through a new Schedule 5b to the Electricity Act as inserted by the Infrastructure Act 2015-11-03

*Ch Objective 2*

The extension of the ECCR provisions to ICPs removes a perceived barrier to the use of ICPs where customers may be deterred from using an ICP where the ECCR provisions do not apply.

General Objectives:

Gen Objective 1

The extension of the prescribed period from five to ten years will increase the period over which DNOs can recover reinforcement costs thereby reducing the cost of reinforcement borne by DUoS customers.

Gen Objective 2

The extension of the ECCR provisions to ICPs removes a perceived barrier to the use of ICPs where customers may be deterred from using an ICP where the ECCR provisions do not apply.

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

**PART D – GUIDANCE NOTES FOR COMPLETING THE FORM**

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>	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

		<p>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>
<b>5</b>	<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>
<b>6</b>	<b>Consideration of Wider Industry Impacts</b>	<p>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.</p>
<b>7</b>	<b>Environmental Impact</b>	<p>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>.</p>
<b>8</b>	<b>Confidentiality</b>	<p>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.</p>
<b>9</b>	<b>DCUSA General Objectives</b>	<p>Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.</p>
<b>10</b>	<b>Detailed Rationale for DCUSA Objectives</b>	<p>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.</p>
<b>11</b>	<b>DCUSA Charging Objectives</b>	<p>Indicate which of the DCUSA Charging Objectives will be</p>

		better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.
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