

DCUSA DCP 270 CHANGE DECLARATION

VOTING END DATE: 17 OCTOBER 2016

| DCP 270 - 'REMOVAL OF HV MEDIUM TARIFF FROM CDCM' | WEIGHTED VOTING | | | | |
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| | DNO | IDNO | SUPPLIER | DISTRIBUTED GENERATOR | GAS SUPPLIER |
| CHANGE SOLUTION | Accept | n/a | Reject | n/a | n/a |
| IMPLEMENTATION DATE | Accept | n/a | Reject | n/a | n/a |
| RECOMMENDATION | <p>Part 1 Matters</p> <p>Change Solution – Reject.</p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the change solution was less than or equal to 50%.</p> <p>Implementation Date – Reject.</p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was less than or equal to 50%.</p> | | | | |
| PART ONE | Authority Determination Required | | | | |

| PARTY | SOLUTION (A / R) | IMPLEMENTATION DATE (A / R) | WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED? | COMMENTS |
|--------------------|------------------|-----------------------------|---|----------|
| DNO PARTIES | | | | |

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| Electricity North West | Accept | Accept | We agree with the working group's findings that charging objective 1 will be better facilitated. The tariffs will no longer be used by DNOs or Suppliers so it is appropriate to remove them from the CDCM. This ensures that the charging arrangements set out in the CDCM are reflective of industry approved changes such as P272. | n/a |
| Northern Powergrid (Northeast) Limited | Accept | Accept | We agree with the working group that: | None |
| Northern Powergrid (Yorkshire) Plc | Accept | Accept | <p>DCUSA Charging Objective One - 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 is better facilitated by this change.</p> <p>The HV Medium non-domestic, LV Medium non-domestic and LV Sub Medium non-domestic tariffs will no longer be required and it is therefore efficient to remove them from the methodology.</p> | |
| SP Manweb | Accept | Accept | We believe that DCUSA Charging Objective 1 would be better facilitated by this change. | n/a |
| SP Distribution | Accept | Accept | | |
| Southern Electric Power Distribution plc | Accept | Accept | We agree with the view expressed in the Change Report that DCUSA | n/a |

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| Scottish Hydro Electric Power Distribution plc | Accept | Accept | Charging Objective 1 is better met by DCP270, as there is no future requirement for the tariffs concerned in the CDCM. | |
| Eastern Power Networks | Accept | Accept | Charging objective four is better facilitated as a result of this change in that it proposes to remove the 'Medium Non Domestic' tariffs from the CDCM which would no longer be required once Suppliers have successfully moved all customers to alternative metering arrangements. This migration is expected to have taken place well in advance of the start of April 2018 when this change would take effect. | We cannot commence pricing for 1 April 2018 until new CDCM & EDCM models are produced that incorporate all DCUSA changes approved for implementation in that charging year. We will need these models by 18 November to allow prices to be determined and internal governance sign-off processes to be complied with prior to publication. We envisage that it would take two weeks for DCUSA to develop and test any new CDCM & EDCM models following Ofgem's determination on any outstanding DCP. In accepting the proposed implementation date we have assumed that Ofgem will make its determination in a timely manner to allow sufficient lead time for DCUSA and the DNOs to react accordingly to deliver 1 April 2018 implementation. |
| London Power Networks | Accept | Accept | | |
| South Eastern Power Networks | Accept | Accept | | |
| Western Power Distribution West Midlands | Accept | Accept | WPD agree with the change proposal that the DCUSA Charging Objective 1 will be better facilitated by this change proposal. | n/a |
| Western Power Distribution East Midlands | Accept | Accept | | |

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| Western Power Distribution South Wales | Accept | Accept | | |
| Western Power Distribution South West | Accept | Accept | | |
| IDNO PARTIES | | | | |
| n/a | | | | |
| SUPPLIER PARTIES | | | | |
| British Gas | Reject | Reject | <p>No objectives are better facilitated.</p> <p>Charging Objective 1: Not better facilitated. We understand the intent of the change, and support the removal of redundant tariffs from the CDCM. However, it is inefficient to seek to remove the LV, LVS and HV medium non-domestic tariffs before it is certain that there are no customers remaining on these tariffs without proposing workable alternative arrangements for these customers.</p> | <p>The working group has made an assumption that there will be no customers remaining on the LV, LVS and HV medium non-domestic tariffs at 1 April 2018 without providing any supporting evidence why this will be the case.</p> <p>The licence obligation to supply PC5-8 customers through an advanced meter is limited by an 'all reasonable endeavours' clause, and P272 also set out that only the 'vast majority' of PC5-8 customers would have an advanced meter capable of HH settlement (and therefore be within scope of P272).</p> <p>Customers are under no obligation to be supplied by an advanced meter, the obligation is on suppliers to take all</p> |

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| | | | | <p>reasonable steps to install one. Therefore unless the obligation (SLC12) is amended to reflect this, and makes it mandatory for customers to accept an advanced meter, it is likely there will always be a cohort of customers that will continue to be supplied via traditional metering.</p> <p>Therefore to assume that 100% of PC5-8 customers will be HH settled by 1 April 2018 is not justified. There will be legitimate reasons why not all PC5-8 metering systems will migrate to HH metering.</p> <p>That is not to say that the LV, LVS and HV sub tariffs must necessarily remain in perpetuity, but in order to remove them a solution needs to formalise the arrangements that will apply to those customers that remain on those tariffs at the point at which they are removed. DCP 270 provides no such formalised solution – the legal text simply removes references to the 3 affected tariffs without setting out what will happen to customers on those tariffs. The Change Report does touch on the issue in paragraph 5.6, but it appears to us to propose a non-workable solution. In effect the proposed solution seems to</p> |
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| | | | | be that customers, who for legitimate reasons may not have migrated to HH settlement by 1 April 2018, will need to change measurement class i.e. migrate to HH settlement. |
| npower | Reject | Reject | No comments provided. | n/a |
| Scottish Power Energy Retail Limited | Accept | Accept | Charging Objective 1 We believe that these tariffs will become redundant on completion of the P272 plan therefore; it is more effective to maintain the CDCM by removing these tariffs. | n/a |
| SSE Energy Supply | Accept | Accept | We agree that General Objective 4: The promotion of efficiency in the implementation and administration of this Agreement is better facilitated by this DCP as These tariffs are no longer required and it is therefore efficient to remove them from the methodology. | no |
| DISTRIBUTED GENERATOR PARTIES | | | | |
| n/a | | | | |
| GAS SUPPLIER PARTIES | | | | |
| n/a | | | | |