






DCUSA Change Report		At what stage is this document in the process?
<h1>DCP 280</h1> <h2>DCP Title: Clarification of TRAS Accession Process</h2> <p><i>Date Raised:</i> <b>21 September 2016</b></p> <p><i>Status of Change:</i> <b>Standard</b></p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
<p><b>Purpose of Change Proposal:</b></p> <p>Now that TRAS is in live operation, there are a number of elements that have been identified in the TRAS Schedules, specifically within clause 8 and the definitions section of the DCUSA Main Body that should be clarified, amended or included for the efficient operation of TRAS.</p> <p>Along with some minor housekeeping changes, DCP 280 seeks to amend Schedule 25 of the DCUSA to enable the Secretariat to monitor Supplier's Metering Point numbers for TRAS, as there are different levels of access to Hunter, which depend upon the Supplier's Metering Point count.</p> <p>This DCP also seeks to introduce a 3-month time lag between a Supplier's initial Metering Point registration and providing data to TRAS, to reflect the actual operation of the service.</p>		
	<p>This document is issued in accordance with Clause 11.20 of the DCUSA, and details <i>DCP 280 – Clarification of TRAS Accession Process</i></p> <p>Parties are invited to consider the proposed amendment (Attachment 4) and submit their votes using the Voting form (Attachment 2) to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> by <b>13 December 2016</b>.</p> <p>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.</p> <p>If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> or telephone 020 7432 3011.</p>	
	 <p>Parties Impacted: <b>Suppliers</b></p>	
	 <p>Impacted Clauses: <b>Main Body Clause 1, Schedule 25, Clause 8</b></p>	

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Timetable		 07715 372 504
The timetable for the progression of the CP is as follows:		
<b>Change Proposal Timetable</b>		
Activity	Date	
Initial Assessment Report Approved by Panel	21 September 2016	
Consultation Issued to Industry Participants	26 September 2016	
Change Report Approved by Panel	16 November 2016	
Change Report issued for Voting	18 November 2016	
Party Voting Closes	13 December 2016 <sup>1</sup>	
Change Declaration Issued to Parties	15 December 2016	
DCUSA Implementation	February 2017 <sup>2</sup>	

 Any questions?

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## Change Proposal Timetable

### Activity

### Date

Initial Assessment Report Approved by Panel	21 September 2016
Consultation Issued to Industry Participants	26 September 2016
Change Report Approved by Panel	16 November 2016
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Party Voting Closes	13 December 2016 <sup>1</sup>
Change Declaration Issued to Parties	15 December 2016
DCUSA Implementation	February 2017 <sup>2</sup>

<sup>1</sup> Voting Period extended to align with the equivalent SPAA CP (CP 16/346)

<sup>2</sup> To align with the equivalent SPAA CP

## 1 Executive Summary

### What

- 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) the Authority.

### Why

- 1.2 Now that the Theft Risk Assessment Service (TRAS) is in live operation, there are a number of elements that have been identified in the TRAS Schedules, specifically within Clause 8, that should be updated to provide clarity and efficiency for the TRAS arrangements.

### How

- 1.3 DCP 280 has been raised by British Gas and seeks to amend Schedule 25 to allow the following:
- the use of data to monitor the number of Metering Points;
  - a 3-month time lag between the Supplier initially registering a Metering Point and providing data to TRAS;
  - ensure all terms referenced in the TRAS Schedules are defined according to their definition in the TRAS contract; and
  - to update the schedule for various minor housekeeping amendments.

## 2 Governance

### Justification for Part 1 Or Part 2 Matter

- 2.1 DCP 280 has been classed as a Part 2 Matter therefore, Authority consent is not required.
- 2.2 DCP 280 is seeking to implement minor housekeeping changes within Schedule 25 and update the DCUSA to reflect the operation constraints. Therefore, it does not meet the criteria for a Part 1 Matter.

## Requested Next Steps

- 2.3 The Panel considered that the TRAS Expert Group (TEG) has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 280.
- 2.4 The DCUSA Panel recommends that this CP:
- Be issued to DCUSA Parties for voting

## 3 Why Change?

### Background of DCP 280

- 3.1 Now that TRAS is in live operation, there are a number of elements that have been identified in the TRAS Schedules, specifically within Clause 8, that should be clarified, amended or included.
- 3.2 SPAA CP 15/316 and DCUSA CP 254 'Introduction of a minimum MPRN threshold for participation in the Theft Risk Assessment Service (TRAS)' were both rejected by the Authority on 1 July 2016. Along with the introduction for a minimum threshold, these CPs would have allowed the use of Supplier data to monitor the number of Metering Points and introduced a 3-month time lag between the Supplier initially registering a Metering Point and providing data to the TRAS. Following the Authority rejection, the TEG determined that new CPs should be raised to incorporate these amendments. DCP 280 and the equivalent SPAA CP 16/350 were raised in August 2016.
- 3.3 This DCP proposes to amend Schedule 25 to allow the following:
- the use of data to monitor the number of Metering Points;
  - a 3-month time lag between the Supplier initially registering a Metering Point and providing data to TRAS;
  - ensure all terms referenced in the TRAS Schedules are defined according to their definition in the TRAS contract; and
  - to update the schedule for various minor housekeeping amendments.

## 4 Solution

### DCP 280 Assessment

- 4.1 As the TEG has already been established to oversee the operation of the TRAS it was deemed more efficient to use this group to assess DCP 280 rather than creating a new working group.

SPAA and DCUSA TRAS CPs are considered during the open session of the TEG meeting and all SPAA and DCUSA Parties are eligible to attend. DCUSA Parties were provided with information regarding DCP 280 and they were invited to the TEG meetings. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – [www.dcusa.co.uk](http://www.dcusa.co.uk).

- 4.2 DCP 280 was formally raised in the definition phase on the 21 September 2016 to ensure early visibility of the proposal.
- 4.3 The TEG assessed DCP 280 and proposed to update Schedule 25 to add an additional paragraph to Clause 8 to allow the Secretariat to monitor the number of registered Metering Points per Supplier, based on the data received pursuant to Clause 12.12.1 in DCUSA. This will enable the Secretariat to identify when a Supplier starts registering Metering Points and is required to comply with the TRAS provisions.
- 4.4 Access to Metering Point data will also enable the Secretariat to confirm the type of TRAS facilities the Supplier is eligible for. For example, Suppliers with less than 50,000 Metering Points/gas Supply Points are provided with access to a multi user instance of the TRAS Service Provider's Hunter System. Where Suppliers breach the 50,000 threshold they are required to have a single instance of the Hunter System which incurs greater costs. Whilst the TRAS Service Provider is responsible for identifying when a Supplier should move from a multi user instance to a single instance, it is important for the Secretariat to be able to validate this information for invoicing purposes.
- 4.5 Schedule 25 will also be amended to state that when a Supplier first becomes registered to a Metering Point, the Secretariat will notify the Supplier and the TRAS Service Provider. The Supplier will be required to comply with the requirements in Section 8 'Supplier Data' within 3 months of the date of this notification. This time lag enables a TRAS Contract Change Notification to be progressed allowing the Supplier access to the TRAS service.
- 4.6 The TEG further agreed to update the DCUSA Main Body and the TRAS Schedule to make some housekeeping changes. The TEG agreed to:
  - review the use of capitalised terms within Schedule 25 and amend these to lower case where they do not require defining within the DCUSA.
  - provide definitions to the remaining capitalised terms in the TRAS Schedules (according to the definitions in the TRAS Contract) that are not currently defined in the DCUSA main body;
  - add a number of definitions to Clause 1 of the Main Body where they will potentially be used in other DCUSA Schedules;
  - amend the definition of TRAS Service Provider as meaning the person or persons with which DCUSA Ltd contracts from time to time for provision of the Theft Risk Assessment Service Arrangements (but excluding the Secretariat in its role as Secretariat and excluding the TRAS Contract Manager); and

- amend 6.4 (confidentiality) of the TRAS Schedule to refer to the TRAS Contract Manager (as well as the Secretariat), so that it is clear that DCUSA can disclose information to the TRAS Contract Manager.

4.7 The TEG developed a consultation document to gather information and feedback from market participants.

## **DCP 280 Consultation**

4.8 The DCP 280 consultation was issued on 26 September and there were 3 responses received.

4.9 The full set of responses and the TEG's comments are provided in Attachment 3.

### **Question 1 - Do you understand the intent of the CP?**

4.10 All respondents understood the intent of the CP.

### **Question 2 – Are you supportive of the principles of the DCP 280 change?**

4.11 All respondents were supportive of the principles of the CP.

### **Question 3: Do you have any comments on the draft legal text?**

4.12 There were no comments on the draft legal text.

### **Question 4: Do you consider that the proposal better facilitates the DCUSA objectives? Please give supporting reasons.**

4.12 Two respondents agreed that the CP better facilitates DCUSA Objective 4 as it supports Suppliers ability to provide data where applicable and promotes an efficient and effective code using common wording, removes old clauses, and facilitates the delivery of SLC 12A.

4.13 One respondents stated that an argument could also be made that the DCUSA Objective 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” could also be better facilitated by the proposal. The respondent noted that it is a supply licence condition that all Suppliers with registered customers should submit data to the TRAS. Suppliers incur cost in preparing and submitting data to the TRAS and if some Suppliers are avoiding these costs this could distort the market in favour of those Suppliers who have not invested in system changes to enable data to be submitted.

### **Question 5: Are you supportive of the proposed implementation date?**

4.14 All respondents answered that they were supportive of the proposed implementation date of February 2017.

### **Question 6: Do you have any other comments on the DCP 280?**

4.15 There were no further comments on DCP 280

## TRAS Expert Group Conclusions

4.16 With regard to question 4, the TEG determined that DCUSA Objective 2 is also applicable and determined to expand the Change Report to cover this objective.

## 5 Relevant Objectives

### Assessment Against the DCUSA Objectives

5.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better meets the DCUSA Objectives. There are five General DCUSA Objectives and five Charging Objectives. The full list of objectives is documented in the CP form provided as Attachment 1.

5.2 The TEG considers that the following DCUSA Objectives are better facilitated by DCP 280.

#### Impact of the Change Proposal on the Relevant Objectives:

Relevant Objective	Identified impact
DCUSA General Objective Two - 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	Positive
DCUSA General Objective Four – The promotion of efficiency in the implementation and administration of this Agreement	Positive

5.3 General Objective 2 is better facilitated by DCP 280 as it will ensure there is effective competition in the generation and supply of electricity. It is a supply licence condition that all Suppliers with registered customers should submit data to the TRAS. Suppliers incur cost in preparing and submitting data to the TRAS and if some Suppliers are avoiding these costs this could distort the market in favour of those Suppliers who have not invested in system changes to enable data to be submitted.

5.4 General Objective 4 is better facilitated by DCP 280 as the use of data will ensure the Secretariat can establish whether a Supplier should be participating in TRAS and determine which TRAS arrangements (e.g. the type of Hunter licence) the Supplier should have.

## 6 Impacts & Other Considerations

6.1 DCP 280 will impact Suppliers.

## Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

6.2 This Change Proposal will not impact a Significant Code Review or other significant industry change project.

### Consumer Impacts

6.3 There are no consumer impacts from this change.

### Environmental Impacts

6.4 In accordance with DCUSA Clause 11.14.6, the TEG assessed whether there would be a material impact on greenhouse gas emissions if DCP 280 were implemented. The TEG did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

## 7 Implementation

7.1 The proposed implementation date for DCP 280 is February 2017.

7.2 The TEG acknowledged that an equivalent SPAA CP (16/350) is being progressed and that the SPAA and DCUSA CPs should be implemented at the same time to ensure consistency in the TRAS Schedules across both Codes.

## 8 Legal Text

8.1 The legal text for DCP 280 are provided as Attachment 4.

8.2 The main elements of the legal text are:

- an amendment to Schedule 25 Clause 8 to allow the Secretariat to use the data received pursuant to Clause 12.12.1 to monitor Suppliers for the purpose of TRAS arrangements;
- an amendment to Schedule 25 Clause 8 to introduce a 3 month time lag for the Supplier to comply with the requirements relating to the submission of data to TRAS.
- an amendment to the Clause 1 of the DCUSA Main Body to define those terms that are not currently defined in Schedule 25, and to move the definition of the TRAS Contract Manager to section 1 of the DCUSA Main Body;
- an amendment to the definition of TRAS Service Provider to mean the person or persons with which DCUSA Ltd contracts from time to time for provision of the Theft Risk Assessment Service Arrangements (but excluding the Secretariat in its role as Secretariat and excluding the TRAS Contract Manager).’ and



- an amendment to 6.4 (confidentiality) of the TRAS Schedule to refer to the TRAS Contract Manager (as well as the Secretariat), so that it is clear that DCUSA can disclose information to the TRAS contract manager.

8.3 The TEG has considered the Legal Text and is satisfied that it meets the intent of the CP.

## 9 Recommendations

### Panel's Recommendation

- 9.1 The Panel approved this Change Report on 16 November 2016. The Panel considered that the TEG has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 280.
- 9.2 The Panel have recommended that this report is issued for voting and DCUSA Parties should consider whether they wish to submit views regarding this Change Proposal.

### Attachments

- Attachment 1 – DCP 280 Change Proposal
- Attachment 2 – Voting Form
- Attachment 3 –DCP 280 Consultation Responses with TEG Comments.
- Attachment 4 –DCP 280 Proposed Legal Text