

DCUSA DCP 243 CHANGE DECLARATION**VOTING END DATE: 17 APRIL 2018**

DCP 243	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
CHANGE SOLUTION	Accept	Reject	n/a	n/a	n/a
IMPLEMENTATION DATE	Accept	Reject	n/a	n/a	n/a
RECOMMENDATION	<p>Change Solution – Reject.</p> <p>In respect of each 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 change solution was <u>not</u> more than 50% in all Categories.</p> <p>Implementation Date – Reject.</p> <p>In respect of each 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 implementation date was <u>not</u> more than 50% in all Categories.</p>				
PART ONE / PART TWO	Part One – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				
Electricity North West	Accept	Accept	We believe this change will result in DCUSA Charging Objectives 3 and 4 being better facilitated. In respect of Objective 3, cost reflectivity is improved by using more up to date data. For Objective 4, the change will result in charges that better reflect the latest change to costs in the DNO business.	None.
Northern Powergrid (Northeast) Ltd	Accept	Accept	Charging Objectives three and four are both better facilitated.	We recognise that many of the points in the change report identify that this is not a perfect solution to the calculation of customer contributions in the CDCM. That said, we do consider that the change is a step in right direction, and as such could be implemented in the next charges publication, being 2020/21. We welcome the work of the Access and Forward Looking Charges Task Forces, and look forward to the outputs from the Task Forces and Ofgem's upcoming consultation in this area providing clarity on the way forward for Forward Looking Charges, and so enabling further work to be carried out on detailed areas such as this to ensure that, where possible,
Northern Powergrid (Yorkshire) plc	Accept	Accept	By updating data annually to appropriate source data, this approach offers improved cost reflectivity (objective three) as well as taking into account developments in each DNO's connections policy (objective four).	

				further improvements are made.
Southern Electric Power Distribution plc	Accept	Accept	DCUSA Charging Objectives 3 & 4 appear to be better met by implementing DCP243. The use of more recent cost data, regularly reviewed, should be more cost reflective; and it seems to be more efficient means of complying with DNO Licence obligations	None
Scottish Hydro Electric Power Distribution plc	Accept	Accept		
Eastern Power Networks	Accept	Accept	Charging Objective three is better facilitated as a result of using more recent reported data to calculate customer contributions so that the methodology better reflects the costs incurred. Charging Objective four is also better facilitated as a result of using the more recent reported data on customer contributions, which better reflects developments in the DNO's business activities.	Depending upon the solution which is taken forward under Ofgem's Charging Futures work, it could be that the need for a 'customer contributions' value needs additional consideration in the Distribution charging methodology. As a result it might be that a decision on this change should only be made AFTER the work of the CFF has concluded.
London Power Networks	Accept	Accept		
South Eastern Power Networks	Accept	Accept		
Western Power Distribution (East Midlands)	Accept	Accept	We agree with the Working Group that DCUSA Charging Objectives three and four are better facilitated by DCP 243.	
Western Power Distribution (West Midlands)	Accept	Accept		
Western Power Distribution (South	Accept	Accept		

Wales)				
Western Power Distribution (South West)	Accept	Accept		

IDNO PARTIES				
BUUK Infrastructure – Chris Barker (DCUSA Contract Manager)	Accept	Accept	Charging Objective 3 – It is felt that the utilisation of current source data would better facilitate the DCUSA objective to reflect costs incurred. This would assist in providing clarity to modelling inputs of Customer Contributions for the CDCM.	
ESP Electricity Ltd (ESPE)	Reject	Reject	ESPE agrees with the comments made by the Working Group that this DCP would better facilitate Charging Objectives 3 and 4 if it were to progress. However, due to the potential cross over with the CFF and ENA ONP work programmes, we have concerns that progressing this change in isolation may not have an overall positive effect on the development or improvement of the models or methodology.	Whilst the estimated effect of this DCP is to be positive for DCUSA Charging Objectives 3 & 4, we are voting to reject the change on the basis of requesting that the topic of updating outdated CDCM input data becomes a noteworthy part of Ofgem's wider industry reviews. Within DCP243's Consultation Four, several parties expressed concern that progression of the DCP would cause a crossover between other major industry reviews currently being conducted; the main crossover being with the Charging Futures Forum (CFF). It was also mentioned in the consultation that it was unknown whether the topic would

				<p>be included by Ofgem, so it was assumed by the WG that the change could progress based on lack of knowledge. The process of updating outdated inputs within the methodology can often have complex and varied outcomes (especially if not considered as part of a wider review) and because of this ESPE believes that the change should be taken into deliberation by the CFF, or at minimum, be reconsidered once industry has formed a view on how to implement any CFF recommendations. We believe the ENA ONP may also lead to greater variation in the nature of customer contributions, which could have a negative impact on the efficacy of the change proposed.</p> <p>The DCUSA change process is intended to allow industry parties the ability to propose and assess incremental changes to the methodology, however the length of time it has taken to develop this change suggests that the DCUSA change process is not suitable for a topic of this size and depth. By amending the calculation of customer contributions to make use of current data sources this change involves a significant level of complexity, and due to the large number of potentially outdated inputs within the</p>
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				<p>CDCM/PCDM, the task is much too large to be conducted in a piecemeal way and must be part of a larger industry review.</p> <p>ESPE is rejecting the implementation date because, if this change is to progress, we believe the implementation date should be 1st April 2023. This date would give the CFF and other industry work streams enough time to fully consider the impact of this change within their reviews and give an opportunity for additional related changes to methodology whilst aligning with the RIIO-ED2 Price Control.</p>
Leep Electricity Networks Limited	Reject	Reject		

SUPPLIER PARTIES

n/a				
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DISTRIBUTED GENERATOR PARTIES

n/a				
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GAS SUPPLIER PARTIES

n/a				
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