DCUSA

DCUSA DCP 332 Change declaration
Voting end date: 9 August 2019

DCP 332 'APPROPRIATE TREATMENT AND ALLOCATION OF LAST RESORT SUPPLY CLAIM COSTS'	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER
CHANGE SOLUTION	Accept	Accept	Accept	n/a	n/a
IMPLEMENTATION DATE	Accept	Accept	Accept	n/a	n/a
RECOMMENDATION	**Change Solution – Accept.** 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 more than 50%. In accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the change solution be Accepted. **Implementation Date – Accept.** 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 the implementation date was more than 50%. In accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the implementation date be Accepted.				
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				
SP Distribution	Accept	Accept	DCUSA Charging Objectives two, three and four	
SP Manweb	Accept	Accept		
Northern Powergrid (Northeast) Ltd	Accept	Accept	As proposer of these changes our view remains that DCUSA charging objectives 2, 3 and 4 are better facilitated. Charging objective 2 - better facilitated by avoiding the distortions which would occur by not amending use of system charges levied on LDNOs. Charging objective 3 - better facilitated by ensuring that supplier of last resort costs are allocated to customers appropriately. Charging objective 4 - better facilitated by ensuring appropriate allocation of supplier of last resort costs in the CDCM, which are currently not included. We do not believe the other charging objectives are impacted.	No.
Northern Powergrid (Yorkshire) plc	Accept	Accept		
Western Power Distribution (East Midlands)	Accept	Accept	**Charging objective two**: better facilitated by avoiding the distortions which would occur in	None
Western Power Distribution (West Midlands)	Accept	Accept		

Western Power Distribution (South Wales)	Accept	Accept	tariffs for LDNOs if the change were not made. **Charging objective three:** better facilitated by all options by ensuring that costs associated with the appointment of a SoLR are allocated to customers appropriately.	
Western Power Distribution (South West)	Accept	Accept		
Electricity North West Limited	Accept	Accept	We believe the change better facilitates DCUSA charging objective 2 ensures IDNO margins are not distorted by SoLR Payment Claim costs. We believe the change also better facilitates charging objective 4 as it provides a more comprehensive mechanism for dealing with the impacts of an increase in Supplier failures on distributors.	None.
Eastern Power Networks	Accept	Accept	We believe that Charging Objective two will be better facilitated by this change as it will avoid the distortions which could occur in tariffs for LDNOs Charging Objective three will be better facilitated by ensuring that costs associated with the appointment of a SoLR are allocated to customers appropriately. Charging Objective four will be better facilitated by ensuring	
London Power Networks	Accept	Accept		
South Eastern Power Networks	Accept	Accept		

			appropriate allocation of pass-through costs in the CDCM.	

IDNO PARTIES				
Leep Electricity Networks Limited	Accept	Accept	1 The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.	N/A
ESP Electricity Ltd	Accept	Accept	ESPE agrees with the WG in that Charging Objectives two, three and four would be better facilitated. Obj 2: Removes the distortion which would occur in LDNO tariffs. Obj 3: Improves cost-reflectivity as eligible bad debt is allocated to customers appropriately. 2 Obj 4: Ensures appropriate allocation of pass through costs.	

SUPPLIER PARTIES				
E.ON Energy Solutions Ltd	Accept	Accept		
Npower ltd	Accept	Accept		

SSE Energy Services	Reject	Reject		This DCP aims to apply the cost of LRSPs to customers protected by the SoLR process. It has excluded business customers on the assumption that all domestic customers are protected by the SoLR process, however large suppliers entering administration would not use the SoLR process but the Energy Company Administration process, and so it is questionable whether collecting LRSPs from them would be appropriate.
British Gas	Reject	Reject	We do not consider the change better facilitates any of the DCUSA charging objectives. This change would introduce a cost allocation principle to the charging methodology whereby if there is an element of DNOs' allowed revenue that could be allocated to a specific customer group then it could be argued that it should be removed from the general residual pot and allocated to that group. Introducing such a cost allocation principle risks undermining the desired outcomes from the Targeted Charging Review (TCR).	The methodology and implementation date for the recovery of all residual costs should follow the outcome of the TCR.
Haven Power	Accept	Accept	Positive impacts for DCUSA Objectives: 2,3 and 4	
Opus Energy Limited	Accept	Accept	Positive impacts for DCUSA Objectives: 2,3 and 4	

CVA REGISTRANT PARTIES
N/A

GAS SUPPLIER PARTIES
N/A