
Meeting Name	DCUSA Panel
Meeting Date	04 February 2009
Paper Title	Initial Assessment Report – DCP 039 (Urgent)
Purpose of Paper	For Decision
Synopsis	This paper presents a Change Proposal that has been submitted to the DCUSA Secretariat and requests agreement on its progression.

1 INTRODUCTION

- 1.1 This paper refers a DCUSA Change Proposal (DCP) to the DCUSA Panel for agreement on its progression.
- 1.2 The CP has been assessed by the Secretariat in accordance with Section 10.11 of the DCUSA. The CP has met the requirements and ElectraLink has prepared a recommendation for consideration by the Panel.

2 SUMMARY OF CHANGE PROPOSAL FOR CONSIDERATION

- 2.1 DCP 039 – ‘Part 2B Change to notice period provisions for changes to charges to IDNOs’ is attached as Appendix 1. The following table shows a summary of the CP:

CP Status	Urgent
Change Synopsis	To clarify the provisions of Clause 43 and to enable DNOs and IDNOs to agree alternative notice periods of variations to charges and alternative implementation dates.
Parties Impacted	Distributor & IDNOs
Part 1 / Part 2	Part 1
Authority Consent	Required
Proposed Implementation	Next release following Authority Consent

3 DCP 039 – PART 2B CHANGE TO NOTICE PERIOD PROVISIONS FOR CHANGES TO CHARGES TO IDNOS

- 3.1 DCP 039 has been raised by The Electricity Network Company. The CP seeks to clarify the provisions of Clause 43 to enable DNOs and IDNOs to agree alternative notice periods of variations to charges and alternative implementation dates.
- 3.2 The proposer considers that DCP 039 should be treated as an Urgent CP in accordance with Clause 10.7 of the Agreement. The proposer notes that IDNOs and DNOs are working to develop and deliver DUoS charges for IDNOs but that it is increasingly unlikely that such charges can be delivered for a 1st April implementation date and that implementation during May could be necessary.
- 3.3 DCUSA's legal advisors have indicated that Clause 43.1 does allow implementation dates other than 1st April or the 1st October, however Ofgem has indicated that its interpretation of the drafting limits the implementation to those dates and any variation may be a breach of the DCUSA and therefore a breach of the licence. DCP 039 therefore proposes clarifying the drafting recognising that failure to implement this change could result in implementation of new/revised tariffs to IDNOs being delayed until October 2009.
- 3.4 This proposal deliberately excludes any changes to Clause 19. Changing Clause 43 does not impact on the notice periods that Distributors have to give Suppliers.
- 3.5 The Proposer considers that the Change Proposal will better facilitate DCUSA Objective 2 and 3 of the DCUSA as set out in Appendix 1.

4 PROGRESSION OF DCP 039

- 4.1 It is recommended that the CP be categorised as a Part 1 matter in accordance with Clause 9.5 of the Agreement as it impacts Clause 43.1 – Charges.
- 4.2 The CP has already been widely discussed amongst DNO and IDNO Parties and it broadly supported by those Parties and seeks only to clarify the drafting. It is therefore recommended that the CP should be entered directly into the Report Phase.
- 4.3 A proposed timetable for the progression of the proposal is outlined below:

Activity	Latest Date
Panel Meeting – IA agreed	04 February
Legal Review & CR drafted	11 February
Ex-committee CR sign off	12 February
Party Voting	13 February – 27 February
Change Declaration	02 March
Authority Determination	06 April
Implementation	ASAP following determination

5 RECOMMENDATIONS

The DCUSA Panel is invited to:

- Consider whether to accept the referral of DCP 039;
- Agree that the CP should be treated as an Urgent proposal;
- Agree that the CP should be treated as a Part 1 matter;
- Agree that the CP should be progressed directly to the Report Phase; and
- Agree the progression of the CP in accordance with the timetable set out in Section 4.3

6 APPENDICES

- Appendix 1 – DCP 039