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<b>Meeting Name</b>	DCUSA Panel
<b>Meeting Date</b>	18 June 2008
<b>Paper Title</b>	Initial Assessment Report – DCP 030
<b>Purpose of Paper</b>	For Decision
<b>Synopsis</b>	This paper presents a Change Proposal that has been submitted to the DCUSA Secretariat and requests agreement on its progression.

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## 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 030 – *Provision of cost information* is attached as Appendix A. The following table shows a summary of the CP:

Raising Party	British Gas
CP Status	Standard
Change Synopsis	To update the DCUSA to include a detailed provision of the core elements of the Electricity Distribution Price Control that is provided to Suppliers.
Parties Impacted	Distributors, Suppliers & IDNOs
Part 1 / Part 2	Part 1
Authority Consent	Required
Proposed Implementation	November 2008

### 3 DCP 030- PROVISION OF COST INFORMATION

- 3.1 DCP 030 has been raised by British Gas. Currently there is no detailed provision of the core elements of the Electricity Distribution Price Control required by Suppliers to enable them to forecast their costs. The CP seeks to require DNOs to provide such information to enable Suppliers to forecast more accurately the likely direction and magnitude of changes in distribution revenue over a rolling five year basis.
- 3.2 British Gas considers that the implementation of DCP 030 will ensure better facilitate Objective 2<sup>1</sup> of the DCUSA as it will result in the regular transparent provision of relevant information on revenues and charges, enable suppliers to improve the accuracy of their forecasts and assessments, provide greater certainty of future charges - both within the immediate price control and the subsequent price control, and enable suppliers to compete more effectively due to this data provision.

### 4 PROGRESSION OF DCP 030

- 4.1 The Proposer has recommended that the CP be progressed as a Part 1 matter in accordance with Clause 9.4.2 C of the Agreement as the principle of the proposed amendment it is likely to have a significant impact on competition in the supply of electricity. However, the proposer considers that going forward the drafting of the DCUSA including new clauses and a new schedule should be categorised as Part 2 matters. The Panel is asked to consider whether it agrees that the CP should be progressed as Part 1 matter.
- 4.2 It is recommended that the CP should be entered into the Definition Phase and that a Working Group be established to assess and develop the CP.
- 4.3 A proposed timetable for the progression of the proposal is outlined below:

Activity	Latest Date
Panel Meeting – IA agreed	18 June 2008
Definition Period & Legal Review	23 June – 13 August
Panel Meeting – Change Proposal agreed	20 August 2008
Party Voting	21 August – 04 Sept 2008
Change Declaration	05 September 2008
Authority Determination	September - October 2008
Implementation	November 2008

### 5 RECOMMENDATIONS

The DCUSA Panel is invited to:

- Consider whether to accept the referral of DCP 030;
- Agree that the CP should be treated as a Part 1 matter;
- Agree that the CP should be progressed through the Definition Phase; and
- Agree the progression of the CP in accordance with the timetable set out in Section 4.4.

<sup>1</sup> 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.

## **6 APPENDICES**

- Appendix A – DCP 030