

## DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

- PART A – Mandatory for all Change Proposals
- PART B – Mandatory for Non Charging Methodologies Proposals
- PART C – Mandatory for Charging Methodologies Proposals
- PART D – Guidance Notes

### PART A - MANDATORY FOR ALL CHANGE PROPOSALS

| Document Control  |  |
|---|--|
| CP Status   | Standard / <del>Urgent</del>                         |
| CP Number   | DCP 208  |
| Date of submission  | 23 April 2014  |
| Attachments   | [See Guidance Note 1]                                |
| Originator Details  |  |
| Company Name  | Eastern Power Networks                               |
| Originator Name   | Peter Waymont  |
| Category  | <del>DG / DNO / IDNO / OTSO / SUPPLIER / OTHER</del> |
| Email Address   | Peter.waymont@ukpowernetworks.co.uk                  |
| Phone Number  | 07875112757  |
| Change Proposal Details   |  |
| CP Title  | Non-veto of derogations                              |
| Impacted parties  | All  |
| Impacted Clause(s)  | 56   |
| Part 1 / Part 2 Matter  | Part 2   |
| Related Change Proposals  | none   |
| Change Proposal Intent  |  |
| <p>To allow the Panel to approve derogations requests unless vetoed by Ofgem within a defined timeframe.</p>  |  |
| Business Justification and Market Benefits  |  |
| <p>At present, if the Panel receives a derogation request from a Party, it must notify all other Parties and Ofgem, giving them not less than 10 Working Days to comment on the derogation. The Panel then discusses the request in the next Panel meeting. If the Panel grants the derogation it must then seek Ofgem's approval to that decision. Only if Ofgem approves the derogation will it actually be effective.</p> <p>In light of recent derogation requests, the Panel has considered whether this process could be improved.</p> <p>At the DCUSA Panel meeting in February an email from Ofgem was reviewed which stated;</p> <p>[Clause 56.3] would indicate that any decision made by the Panel in respect of derogations can only be effective with the approval of the Authority. We note that this section of the DCUSA could be modified in accordance with the</p> |  |

standard modification process and as part of your review of this process we would be happy to discuss a possible change which would provide the Authority with a veto role (within a limited time frame of the derogation being made by the Panel), rather than the current system of having to actively approval, either by representation or otherwise, each derogation granted by the Panel. We note that the Panel will normally consider granting derogations in only specific instances, i.e. where there is a newly introduced obligation or where an existing obligation has been amended.

This CP seeks to improve the derogations process in the manner envisaged by Ofgem.

The timescales within which a non-veto should be deemed "acceptance" by Ofgem need to be considered. 28 days seems to be appropriate but under DCUSA currently, Ofgem will have been made aware of the derogation request not less than 10 Working Days before the Panel considers it and must make representations on it prior to the Panel's consideration. Therefore 10 Working Days after the Panel's decision would mean Ofgem has had approximately 28 days in total to consider it.

This DCP is deemed Part 2 as it does not impact any of the matters under Clause 9.4.

### Proposed Solution and Draft Legal Text

56.3 A derogation granted to any Party by the Panel, or any retraction, amendment or addition under Clause 56.2, shall, in each case, only be effective if made in conformity with any representations received from the Authority in accordance with Clause 56.5.3, ~~or as otherwise approved by and if not vetoed by~~ the Authority **within [10 Working Days] of notification of the Panel's decision and the rationale for it.**

### Proposed Implementation Date

First release after acceptance.

### Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

|           |                                     |
|-----------|-------------------------------------|
| BSC       | <input type="checkbox"/>            |
| CUSC      | <input type="checkbox"/>            |
| Grid Code | <input type="checkbox"/>            |
| MRA       | <input type="checkbox"/>            |
| SEC       | <input type="checkbox"/>            |
| Other     | <input type="checkbox"/>            |
| None      | <input checked="" type="checkbox"/> |

If other please specify

### Consideration of Wider Industry Impacts

Not applicable

|                             |
|-----------------------------|
|                             |
| <b>Environmental Impact</b> |
| none                        |
| <b>Confidentiality</b>      |
| Not applicable              |

**PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS**

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| <b>DCUSA Objectives</b>  |
| <p><u>General Objectives:</u></p> <p>Please tick the relevant boxes. [See Guidance Note 9]</p> <p><input type="checkbox"/> 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks</p> <p><input type="checkbox"/> 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</p> <p><input type="checkbox"/> 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences</p> <p><input checked="" type="checkbox"/> 4 The promotion of efficiency in the implementation and administration of this Agreement</p> <p><input type="checkbox"/> 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.</p> |
| <b>Detailed rationale for better facilitation of the DCUSA Objectives identified above</b>   |
| <p>It enables the derogation process to be time bounded and avoids the need for Ofgem to document its approval of a Panel decision. It enables more self-governance.</p>   |

**PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS**

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| <b>DCUSA Charging Objectives</b>                       |
| Please tick the relevant boxes. [See Guidance Note 11] |

Charging Objectives:

- 1 that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence
- 2 that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)
- 3 that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business
- 4 that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business
- 5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

General Objectives:

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- 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
- 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- 4 The promotion of efficiency in the implementation and administration of this Agreement
- 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

**Detailed rationale for better facilitation of the DCUSA Objectives identified above**

[See Guidance Note 10]

Charging Objectives:

General Objectives:

**Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation**

February DCUSA Panel meeting

## PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. [www.dcusa.co.uk](http://www.dcusa.co.uk)

| Ref | Data Field                                     | Guidance  |
|-----|--|---|
| 1   | <b>Attachments</b>                             | Append any proposed legal text or supporting documentation in order to better support / explain the CP.   |
| 2   | <b>Part 1 / Part 2 Matter</b>                  | A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.  |
| 3   | <b>Related Change Proposals</b>                | Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.   |
| 4   | <b>Proposed Solution and Draft Legal Text</b>  | <p>Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions. The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting) which enacts the intent of the solution. The legal text will be reviewed by the Working Group (if convened) and is likely to be subject to legal review as part of its progress through the DCUSA change process.</p>   |
| 5   | <b>Proposed Implementation Date</b>            | <p>The Change can be implemented in February, June, and November of each year or as an extraordinary release. For Charging Methodology CPs, select an implementation date which takes in to consideration the deadlines for publishing indicative tariffs.</p> <ul style="list-style-type: none"> <li>• Submission of Company indicative tariffs is 31 December of each year.</li> <li>• Final tariffs are published on 1 April of each year.</li> </ul> <p>Please select an implementation date that provides sufficient time for the change to be incorporated into the appropriate charging model and the DCUSA in order to be reflected within the December indicative tariffs.</p> <p>Contact the DCUSA helpdesk for any further information on the releases <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a>.</p> |
| 6   | <b>Consideration of Wider Industry Impacts</b> | Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an   |

|           |  |   |
|-----------|--|---|
|           |  | impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.  |
| <b>7</b>  | <b>Environmental Impact</b>                    | Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see <a href="#">Ofgem Guidance</a> .           |
| <b>8</b>  | <b>Confidentiality</b>                         | Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem.  |
| <b>9</b>  | <b>DCUSA General Objectives</b>                | Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.   |
| <b>10</b> | <b>Detailed Rationale for DCUSA Objectives</b> | Provide detailed supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified. |
| <b>11</b> | <b>DCUSA Charging Objectives</b>               | Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.             |