

**DCUSA DCP 227 CHANGE DECLARATION**

**VOTING END DATE: 14 SEPTEMBER 2015**

DCP 227 - REMOVING THE INCONSISTENCY IN THE APPLICATION OF PEAKING PROBABILITIES IN THE CDCM	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
CHANGE SOLUTION	Accept	n/a	Accept	n/a	n/a
IMPLEMENTATION DATE	Accept	n/a	Accept	n/a	n/a
RECOMMENDATION	<p><b>Change Solution – Accept.</b> 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%.</p> <p><b>Implementation Date – Accept.</b> 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 implementation date was more than 50%.</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
<b>DNO PARTIES</b>				
SP Distribution plc	Accept	Accept	We agree that DCUSA charging	None.

SP Manweb plc	Accept	Accept	objective 3 is better facilitated for the reasons included within the change report.	
Electricity North West	Accept	Accept	Charging Objective 3 is better facilitated by this Change Proposal	n/a
Western Power Distribution (East Midlands)	Accept	Accept	n/a	n/a
Western Power Distribution (West Midlands)	Accept	Accept		
Western Power Distribution (South Wales)	Accept	Accept		
Western Power Distribution (South West)	Accept	Accept		
Northern Powergrid (Northeast)	Accept	Accept	Charging Objective Three:	Not at this time.
Northern Powergrid (Yorkshire)	Accept	Accept	Inconsistencies in the way the CDCM allocates costs on the basis of contribution to system simultaneous maximum load are removed, as currently different rules are applied to different tariffs. The improved consistency of cost allocation will result in more cost reflective tariffs.	
Scottish Hydro Electric Power Distribution plc	Accept	Accept	Charging Objective 3 is better facilitated as this CP ensures that all	n/a

Southern Electric Power Distribution plc	Accept	Accept	<p>demand tariffs are subject to the same network cost allocation rules.</p> <p>Referencing the peaking probabilities of each network level should result in more cost reflective charges as the current CDCM assumption that all network level assets peak at the time of system peak for the domestic unrestricted and small non-domestic unrestricted tariffs will be removed.</p>	
Eastern Power Networks	Reject	Reject	<p>We do not believe that the charging or general objectives are better facilitated as a result of this change, as we believe that this change proposal would have a detrimental effect on the cost reflectivity of the calculation of single rate (unrestricted) tariffs, for which currently the majority of domestic customers are assigned to. This change would see single rate tariff charges reduce due to inappropriate use of data from multi-rate tariff consumption. This change would therefore impede movement of single rate consumers to the more cost reflective multi-rate tariffs that are available with Smart meters.</p>	n/a
London Power Networks	Reject	Reject		
South Eastern Power Networks	Reject	Reject		
<b>IDNO PARTIES</b>				

n/a				
SUPPLIER PARTIES				
British Gas	Accept	Accept	<p>Charging Objective 3 is better facilitated as the CP removes an inconsistency in the allocation of network costs to different tariffs.</p> <p>In some DNO areas the time that the network levels peak is significantly different from the time of system peak. In these cases, much of the costs of the network are driven by what is occurring outside of the time of system peak. By bringing peaking probabilities into the calculations, DCP 227 would introduce greater cost reflectivity better reflecting the costs incurred on the network for all demand tariffs.</p> <p>We also consider that Charging Objective 2 may be better facilitated by this change as the inconsistent cost allocation method between unrestricted and multi-rate tariffs in the CDCM could be creating perverse incentives to choose (or not to choose) an unrestricted tariff over a multi-rate tariff. DCP 227 would remove any such potential perverse incentive.</p>	<p>We note the concern raised by one Party in the consultation responses that DCP 227 cannot be an improvement in cost reflectivity due to the difficulty in determining when unrestricted customers use the network. We agree with the working group's dismissal of these concerns. Such concerns are related to the Electricity Settlements System. To the extent that the profiles used by the Settlements System may not accurately reflect the actual consumption of NHH customers, this problem would apply to all NHH tariffs, not just to unrestricted tariffs. DCP 227 simply seeks to use the settlement data in a consistent way for all NHH tariffs.</p> <p>We would also add that DCP 227 corrects the current flaw in the CDCM which assumes, for unrestricted tariffs only, that all network levels peak at the time of system peak. It seems clear that not all network levels peak at the time of system peak as demonstrated by the peaking probabilities entered by DNOs using their own substation metering data which is not reliant on settlements</p>

				data.
SSE Energy Supply	Accept	Accept	DCUSA Charging Objective 3 is facilitated by making the DUoS charges more cost reflective.	<p>There are increases of 0.4 p/kWh for profile 3 SME customers in Swalec, and of 0.2 p/kWh in Southern. These changes will not be welcomed by the affected customers.</p> <p>We must be also careful that the combined impact of all the Change Proposals applying from April 2017 does not unduly disadvantage any customer group.</p>
RWE Npower	Accept	Reject	RWE npower agree with the consensus from the Working group that DCP 227 has the potential to better facilitate the DCUSA Charging Objective Three introducing greater cost reflectivity by better reflecting the costs incurred on the network	RWE npower propose an implementation date of April 2018 rather than April 2017. We are mindful that DNOs are currently finalising tariffs for an extended period, for the first time, consistent with the 15 months notice period and short notice implementation of this change may introduce tight time constraints.
<b>DISTRIBUTED GENERATOR PARTIES</b>				
n/a				
<b>GAS SUPPLIER PARTIES</b>				
n/a				

