

APPENDIX B - RESPONSE FORM

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How do the proposed CPs better facilitate the DCUSA Objectives?

<i>Change Proposal</i>	<i>Better Facilitates (Yes/No)</i>	<i>Which Objective</i>	<i>Reasons/Comments</i>
DCP001	No	1 and 3	Too restrictive. Although SPD/SPM does not have a record of adjusting charges more frequently than once a year, circumstances are envisaged where the need to do so could arise. The proposals particularly affect objective 3 and the licensees ability to comply with Licence Conditions – 4, B1 and E1. The wording at present also requires licensees to vary charges once a year, not to limit variations to once a year, which is the intention.
DCP001a	No	1 and 3	Too restrictive. Although SPD/SPM does not have a record of adjusting charges more frequently than once a year, circumstances are envisaged where the need to do so could arise. . The proposals particularly affect objective 3 and the licensees' ability to comply with their Licence Conditions, in particular in respect of charging methodology and revenue restrictions. The wording at present also requires licensees to vary charges once a year, not to limit variations to once a year, which is the intention.
DCP001b	No	3	Too restrictive. Although SPD/SPM is broadly supportive of the move to limit changes to charges to two pre-defined dates in the year we believe there should be an exclusion to enable the DNO to make changes at other times as required by DNO Charging Methodology changes. The

			proposals particularly affect objective 3 and the licensees ability to comply with Licence Condition 4 and other requirements, such as in respect of price controls. The wording at present also requires licensees to use reasonable endeavours to vary charges twice a year, not to limit variations to twice a year, which is the intention.
DCP001c	No effect	2	We do not believe this change would necessarily improve the difficulties faced by Suppliers under the current arrangements.

Are there any other alternative solutions you would like to be considered by the DCP 001 Working Group?

Yes

Reasons and explanations:

SPD/SPM do not support changes along the lines proposed being introduced in this manner. This type of change should be brought in through a Licence change using the licence change control procedures. The current distribution licence conditions impose penalties where under and over recoveries breach set limits. If the ability of the licensees to modify charges is restricted then these limits must be reviewed also. These changes should therefore be brought in through a change to the licence and not through a change to the DCUSA.

If a change were to be introduced through the DCUSA, then SPD/SPM would propose that DCP001(b) should be extended such that the DNO would have the right to implement changes at any time, where those changes were made necessary as a result of Charging Methodology changes. Proposed drafting:

"The User shall pay to the Company in respect of services provided under the Agreement the charges set out in the Relevant Charging Statement. The Company shall make reasonable endeavours not to vary such charges more than two times a year, any such variations to take effect on 1st April and 1st October, except where the Company is required to vary the charges as a result of changes to the Company's Charging Methodology Statement, but in all circumstances by giving the requisite period of written notice to the User (where the requisite period of notice is the period specified in the Company's Relevant Charging Statement or, where no such period is specified, 40 Days). Such charges and any variations are and will be calculated in accordance with the provisions of the Relevant Charging Statement".

This modification better meets DCUSA objective 2 whilst still allowing the DNOs to comply with their licence requirements, including in respect of price control, and therefore does not adversely impact on objective 3.

If you believe more than one solution better facilitate the DCUSA objectives, indicate an order of priority between each of the alternatives. This will inform the Panel's decision about which alternate(s) to put forward for formal voting in addition to the original CP.

Highest Priority:

Next Priority if any:

Next Priority if any:

Next Priority if any:

Reasons and explanations:

Indicate if you expect to incur any costs to support each alternative, particularly where these are related to internal system changes:

No

Comment on the suitability of the proposed implementation date for each CP and each alternative:

10 WD after Authority Consent

Reasons and explanations:

Any other comments or views on the Change Proposal and Alternatives:

No further comments

Please clearly indicate which parts, if any, of your comments are to be treated by the Working Group and Panel as confidential.

None