



## DCUSA Change Report

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### DCP 114 - NTC AMENDMENTS - CAPACITY MANAGEMENT (OVER UTILISATION)

#### **Executive Summary**

DCP 114 seeks to change the National Terms of Connections (NTC) to introduce processes for DNOs to react to circumstances in which customers over-utilise their Maximum Import Capacity (MIC) and/or Maximum Export Capacity (MEC).

This document presents the Change Report for DCP 114 and invites respondents to vote on the proposed change.

## 1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA and details DCP 114 – NTC Amendments - Capacity Management (Over Utilisation).
- 1.2 The voting process for the proposed variation and the timetable for the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.
- 1.3 Parties are invited to consider the proposed amendments (Attachment 1) and submit their votes using the form provided as Attachment 2 to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) no later than **15 June 2015**.

## 2 BACKGROUND

- 2.1 DCP 114 has been raised by Scottish Power Distribution (Attachment 3). The CP originated from work undertaken by a previous group, the DCMF Capacity Management Group, which was comprised of Distributors, Suppliers, Customers and Ofgem. This group's assessment of issues and challenges faced by the electricity industry in managing the capacities of customers connected to the electricity distribution networks has led to this change being proposed.
- 2.2 As part of its scope, the DCMF Capacity Management Group considered the rights currently available to Distributors (under both the Electricity Act and the National Terms of Connection ("NTC")) to take action in those circumstances where customers were found to be either breaching or under utilising their maximum import capacity ("MIC") and/or maximum export capacity ("MEC"), to the detriment of other customers and/or the network.
- 2.3 During this assessment, gaps were identified in the rights afforded by the Electricity Act and the NTC which the group perceived inhibited the Distributors' ability to take appropriate action to address circumstances of both capacity breach and capacity under utilisation; and the group felt that these gaps restricted the Distributors' ability to effectively and efficiently manage their distribution networks.
- 2.4 The CP proposed to change the NTC to introduce rights that would better facilitate the process for Distributors to address circumstances in which customers over-utilised their MIC/MEC. As the Working Group developed the Change Proposal they moved

away from developing new rights and instead decided to clarify existing rights. These amendments are intended to better enable Distributors to fulfil their statutory duties to develop and maintain efficient, coordinated and economical distribution networks; and to ensure the optimum utilisation and allocation of capacity.

- 2.5 It should be noted that the change impacts Section 3 of the NTC which will impact Current Transformer (CT) metered customers only, such as large factories or superstores.

### **3 INTENT OF DCP 114 – NTC AMENDMENTS - CAPACITY MANAGEMENT (OVER UTILISATION)**

- 3.1 DCP 114 'NTC Amendments - Capacity Management (Over Utilisation)' seeks to update the NTC to allow Distributors to take appropriate action where connected customers are found to be over-utilising their MIC and/or MEC. The change proposal is intended to place Distributors in a better position to react, and to influence customer behaviours where agreed MIC and/or MEC levels are breached.
- 3.2 As originally proposed, the draft legal text gave the distributor a right, where a customer did not on notice reduce his demand or repeatedly breached his MIC or MEC, to increase the MIC or MEC and to charge connection charges accordingly or to fit capacity limiting equipment and charge the customer for the costs of doing so.

### **4 DCP 114 – WORKING GROUP CONSIDERATIONS**

- 4.1 The DCUSA Panel established a Working Group to assess DCP 114. The group was comprised of Supplier and Distributor Parties, independent consultants and Ofgem representatives. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website<sup>1</sup>.
- 4.2 The Working Group worked on both DCP 114 and DCP 115<sup>2</sup> together, and the consultations the Working Group issued concerned both CPs. The consultation responses appended to this change report contain only those responses in respect of questions asked about DCP 114 or general questions about both DCPs together.

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<sup>1</sup> [www.dcusa.co.uk](http://www.dcusa.co.uk)

<sup>2</sup> DCP 115 'NTC Amendments - Capacity Management (Under Utilisation)'

## 5 DCP 114 – FIRST CONSULTATION

- 5.1 Four consultations were issued in relation to DCP 114. The first was issued to DCUSA Parties and Ofgem. This consultation document, along with the responses received, is provided as Attachment 4 and because DCP 114 and 115 were consulted upon jointly this attachment includes responses for both CPs.
- 5.2 The Working Group reviewed each of the seven responses received to the consultation and concluded that all of the respondents understood the intent of DCP 114.
- 5.3 The majority of respondents were supportive of DCP 114. One respondent explained that they were supportive of the CP but noted that users of the distribution system should have agreed capacities that are appropriate to their demand, so that they pay for their fair use of the system and a fair amount for connection to the system. It should not fall upon the general population of users to pay for reinforcements required as a result of specific users over utilising their capacity.
- 5.4 The Working Group noted that the Electricity Connection Charges Regulations (ECCR) would give DNOs rights around retrospective charging in respect of physical works taking place. The proposed changes to the NTC made reference to the charges having to be those contained within the connection charging methodology statement. The Working Group agreed that text being added to the NTC merely restates the existing rights of DNOs.

### **Do you consider that the proposal better facilitates the DCUSA Objectives? Please provide supporting information.**

- 5.5 The majority of consultation respondents agreed with the Working Group that DCUSA Objective 1 and 3 are better facilitated by the CP. The following table outlined the respondents' views on which Objectives are facilitated by the CP:

DCUSA General Objective	Number of Respondents who indicated it was better facilitated
Objective #1	5
Objective #2	1
Objective #3	4
Objective #4	0

Objective #5	0
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- 5.6 One Supplier Party noted that this proposal better facilitates development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.
- 5.7 A different Supplier Party explained that in their opinion DCP 114 appears to better facilitate the enforcement of Connection Agreements, which are bilaterally agreed outside the realm of DCUSA and has great impact on parties who are not direct signatories to the DCUSA, therefore it is difficult to judge that DCP114 better facilitates the DCUSA objectives.
- 5.8 The Working Group noted that they did not understand the comment being made as the NTC are contained within the DCUSA and so have already been deemed to be within the DCUSA objectives. The group determined to consult more widely and have the opportunity to pose this question again.
- 5.9 One response on behalf of a corporate group noted that in their view the proposal would have a detrimental effect on the promotion of efficiency in the implementation and administration of the DCUSA, by introducing cumbersome new procedures, notices and dispute resolution provisions in the relationships between customers, suppliers and distributors.
- 5.10 The Working Group discussed and noted all the comments contained within this response.

**What are the costs associated with implementing the CP?**

- 5.11 The majority of respondents did not foresee any significant additional costs associated with the implementation of the CP. The Working Group noted the costs are dependent upon the activity undertaken, and therefore may be low.

**Is the suggested 30 days from date of notice adequate time to take the necessary actions to reduce import and/or export of electricity?**

- 5.12 The responses indicated that the question had not been well written and had led to confusion.

**What dispute resolutions should be available in relation to over utilisation?**

- 5.13 The majority of respondents indicated that the customer should have the ability to refer the matter to the Authority before any changes in MIC/MEC or associated charges could be imposed by the DNO.

**How many times would a customer need to breach their capacity before they were considered to be in a position of 'repeated breach' and should this be stated in the drafting.**

- 5.14 The Working Group noted that the use of the term 'Repeated material breaches' could lead to disputes as to whether a breach is material. The drafting states that parties will take proportionate action, and where a customer feels the action has been disproportionate there is a right to refer to the Authority.
- 5.15 There was a concern in the consultation responses that such transparency might lead to a perception of an allowed number of breaches. The group decided to expand on this question during its next consultation.

**Please provide an indication of the number of customers on your networks who are exceeding their capacity?**

- 5.16 Of the responses received, volumes were spread between 100 and 1,000 per distribution region.

## **6 DCP 114 – SECOND CONSULTATION**

- 6.1 The second consultation was issued to a wider distribution list, which included Customers, DCUSA Parties and Ofgem. The consultation document, along with the responses received, is provided as Attachment 5 and because DCP 114 and 115 were consulted upon jointly this attachment includes responses for both CPs. This contained the same legal drafting as the first consultation, as originally proposed.
- 6.2 The Working Group reviewed each of the thirteen responses to the consultation and concluded that the majority of respondents understood the intent of DCP 114. The majority of respondents were also supportive of the principles of the CP.
- 6.3 One respondent noted that they understood the reasons to increase the capacity; but that has already occurred in billing of the Supplier. There is only an issue where the additional capacity is not 'available' for safety reasons (overload) or the need to

actually do local reinforcement, for which the load reinforcement (a competitive activity) requires the customer pay for works.

- 6.4 The Working Group noted that DCP 114 will ensure that demand is more effectively managed. If a customer exceeds its capacity and takes benefit from a previous reinforcement, currently there are no provisions to recover the costs from them. This CP will create such a provision.

**Is the suggested 30 days from date of notice adequate time to take the necessary actions to reduce the import and/or export of electricity?**

- 6.5 There was mixed response to the 30 day timeframe but the Working Group again noted that feedback suggested the question asked in the second consultation was misleading. However, it was agreed that 30 days appeared to be sufficient for the customer to inform the relevant party if they plan to take action.
- 6.6 The Working Group noted that the 30 days is not about quotes. The 30 days is a timeframe in which a response should be sent, not for actions to be completed.
- 6.7 Following the consultation comments, the Working Group agreed to update the legal drafting to ensure clarity that the 30 days outlined is not associated with taking action to resolve the capacity issue. The Working Group noted that the 30 days starts from the date of the letter. The group noted that this relates to notification from the DNO to the customer directly.
- 6.8 The Working Group agreed to update legal text to clarify that the 30 days is not associated with taking resolving action.

**What dispute resolutions should be available in relation to over utilisation?**

- 6.9 One respondent noted that in relation to DCP114 there would presumably be mainly arbitration or legal action, but there should also be the capability for recourse to the Authority. The Working Group agreed to seek advice as to whether the relevant Party could refer the matter to the Authority; however, the view of the group was that any dispute should be able to be referred to the Authority.

**How many times would a customer need to breach their capacity before they were considered to be in a position of 'repeated breach' and should this be stated in the drafting?**

- 6.10 Respondents gave varying views as to what constituted repeated breaches. Some felt that this should be assessed on a case by case and not coded. One respondent noted that for clarity this should be a defined number of instances within a defined period of time. The Working Group agreed that instances should not be counted within too short a period; perhaps breaches occurring in any 6 months within a 12 month period. The Working Group noted that the word proportionate may be sufficient, in ensuring that Parties take each instance on a case by case basis. The group noted that the definition of repeated breach is covered above.
- 6.11 In addition, the Working Group noted that it was not the intention to allow the customer to take no action under this clause. The customer does have the option to take no action, but they must inform the distributor of their intention. In relation to the method of calculation of the increased maximum capacity, the Working Group felt that to define it could constrain the calculation.
- 6.12 The Working Group also reviewed an additional response document on behalf of Peel Electricity Services Ltd, The Mersey Docks and Harbour Company Ltd, Heysham Port Ltd, The Manchester Ship Canal Company Ltd, Clydeport Ltd, The Port of Sheerness Ltd, Seaforth Power Ltd and Peel Airports Ltd. This response used the form from the First Consultation and so their comments are included within the first consultation responses summary due to some of the questions being different in each consultation.

## **7 CUSTOMER CORRESPONDENCE**

- 7.1 After the second consultation, the Working Group and Ofgem received a number of representations from large customers and their representatives. The Working Group met to discuss all of these together and refined its legal drafting in light of those comments.

## **8 DCP 114 – THIRD CONSULTATION**

- 8.1 The Working Group refined the DCP 114 legal text considerably, following the

consultation responses and letters that it had received and issued a further consultation. This third consultation was issued in January 2014 to Customers, DCUSA Parties and Ofgem. Twenty responses were received. The consultation document, along with the responses received, is provided as Attachment 6 and because DCP 114 and 115 were consulted upon jointly this attachment includes responses for both CPs.

- 8.2 The legal text was amended to require the distributor to provide more information to the customer concerning the breach of capacity, to describe the process that would be followed by the distributor and to remove the ability of the distributor to unilaterally increase the MIC or MEC and charge for this.

**Please state your views on the proposed legal text as drafted for DCP 114? In the DCP 114 legal text, should it be specified that the explanation given in Clause 12.4.3 must be acceptable to the Company?**

- 8.3 Seven respondents had no comments on the proposed legal text. The other respondents suggested refinements and amendments to the legal text. The Working Group discussed each comment in turn and agreed to make a number of changes to the legal text. The full set of comments received, along with the Working Group's responses are provided as Attachment 5.

- 8.4 Eight of the respondents provided a view on whether it should be a requirement in the legal text that the explanation given in Clause 12.4.3, as to why the customer chooses to take no further action, is acceptable to the Distributor. Three Distributor respondents and one Supplier respondent agreed that it should be a requirement. Another Supplier respondent suggested that the word 'reasonable' rather than 'acceptable' should be used. One Supplier, one Customer and one consultant each disagreed that the explanation given in Clause 12.4.3 should be acceptable to the Distributor.

**Do you agree with the implementation date of DCP 114?**

- 8.5 Ten respondents agreed with the proposed implementation date of the next release following authority consent. Two respondents suggested that a longer notice period should be given to allow a sufficient notice period for customers. The remaining respondents did not provide a view on the implementation date.

- 8.6 The Working Group discussed the responses received and agreed that a minimum 3 month period following Authority approval would be necessary.

**Are you aware of any wider industry developments that may impact upon or be impacted by this CP?**

- 8.7 One respondent noted that they did not believe that trying to codify perceived problems with the contractual agreement between Distributors and their customer was an appropriate course of action. The Working Group discussed this response and noted that DCP 114 has been accepted into the process by the DCUSA Panel. As such it is the responsibility of the Working Group to progress the CP and find a solution to be put forward to Industry vote.
- 8.8 Three respondents suggested that potentially the implementation of P272<sup>3</sup> could result in increased numbers of capacity arrangements. The Working Group discussed these comments and agreed that DCP 114 would not impede the implementation of P272. DCP 114 relates to the contracted level of capacity and not to the basis on which it is charged.

**Are there any alternative solutions or matters that should be considered by the Working Group?**

- 8.9 One respondent raised the following questions for the Working Group's consideration:
- *Is there sufficient protection in existing arrangements to ensure new customers (Change of Occupier) will not be required to pay for removal of any capacity limiting equipment at site on agreement of a new capacity agreement?*  
The Working Group explained that cost reflective charges would be applied in accordance with the connection charging methodology in relation to works required to provide an increase in MIC/MEC. This is unchanged by DCP 114.
  - *Will charges for capacity limiting equipment be levied directly to the Customer by the DNO?*  
The Working Group confirmed that this is the case.
  - *What is the group view, given the potential negative financial impact to Customers, on whether correspondence should be signed for on receipt when initiating either the over or under utilisation process?*

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<sup>3</sup> Mandatory Half Hourly Settlement for Profile Classes 5-8

The Working Group confirmed that there is no specific requirement for a signed-for receipt in the NTC notices provision.

8.10 A customer respondent suggested that the current regime should not be changed as it has the benefit of allowing customers to pay for the capacity they currently need to have and the distributor has the right to de-energise on breach. The Working Group reviewed the response and highlighted that the changes to the text should clarify the process and brings consistency amongst the DNOs, and there will be no material change in rights and obligations. The DNO cannot unilaterally alter the MIC/MEC.

8.11 A Supplier respondent raised the following comments for the Working Group's consideration:

- *We believe that further considerations could be discussed to consistency and transparency between DNO companies in the method of calculation, the communication process to suppliers & customers and the method and content of communication*

The Working Group discussed this point and agreed that it was outside the scope of this CP. The Working Group noted that the detection of peak usage might arise not from metering data calculations, but from a direct on site monitoring of the electricity usage by non-settlement measuring and monitoring equipment. The Working Group would expect any distributor declaring an excessive use would be transparent in explaining and presenting the basis upon which they've arrived at that conclusion.

- *DNOs need to ensure that the communications to customers is relevant and contact details are accurate.*

The Working Group agreed with this comment.

- *DNO systems and processes need a robust means of capturing and recording feedback from customers who may have very valid reasons for a temporary breach or period of under-utilisation*

The Working Group agrees that the DNOs will need to capture customer feedback regarding reasons for a breach.

- *DNOs must have available accurate connection agreement records to ensure the benchmark basis of the breach is reliable*

The Working Group agreed with this comment.

- *What steps will be taken to ensure that calculation method for over-utilisation and under-utilisation is transparent and consistent across DNO area's?*

The Working Group noted that the method of calculation is applying electrical formulae to settlements data, or to direct monitoring through recognised equipment. The Working Group would expect any distributor declaring an excessive use would be transparent in explaining and presenting the basis upon which they've arrived at that conclusion.

- *There is the potential to have a New DTC Flow to cope with the increased volume of change and to provide a clear audit trail. This should include sending the capacity to a new supplier following a Change of Supplier as well as updating suppliers as and when the capacity changes. All communication should be via the DTN to ensure a clear audit process for both DNOs and suppliers.*

The Working Group discussed this point and felt that it is outside of the scope of the group.

- 8.12 An IDNO respondent suggested that this issue is as much about DUoS charging as it is about managing connection arrangements. The Working Group discussed this comment and noted that that DUoS charging is outside the scope of the CP, but the group recognises that whilst the DNO has the obligation to maintain the capacity for a customer at the de-energised site, the DNO does not charge DUoS to the Supplier under current arrangements.

## **9 DCP 114 – FOURTH CONSULTATION**

- 9.1 The Working Group tidied up the DCP 114 legal text based on the responses to the third consultation and issued a further consultation. The fourth consultation was issued on 11 March 2015 and a total of ten responses were received. A summary of the responses received, and the Working Group's conclusions are set out below. The full set of responses and the Working Group's comments are provided in Attachment 7 and because DCP 114 and 115 were consulted upon jointly this attachment includes responses for both CPs.

### **Do you consider that DCP 114 (NTC Amendments - Capacity Management (Over Utilisation) better facilitates the DCUSA objectives?**

- 9.2 The Working Group noted that seven respondents expressed the view that DCP 114

better facilitates DCUSA objective 1, and one respondent did not comment.

- 9.3 Of the two respondents that did not consider that DCP 114 better facilitates the objectives, one respondent wanted other solutions to be considered.

**Do you have any comments on the proposed legal text for DCP 114?**

- 9.4 The Working Group noted that four respondents suggested changes to the wording for accuracy and clarity, and inaccurate references to clauses. The Working Group agreed to amend the legal text accordingly, and to also ask the DCUSA Legal Advisor if there are any consequential changes to cross reference as part of the DCP 114 legal review, as suggested by a respondent.

- 9.5 One respondent stated that they felt that the 30 Working Day notice period was too short. The Working Group noted this and as a response highlighted that on the basis of previous discussions the legal drafting had been amended so that customers can come back with an alternative timeline.

- 9.6 The Working Group noted that one respondent appeared to be referencing an older version of the legal text, and agreed that they should be contacted to ask for their comments on the latest version of the legal text. The Working Group sought further clarification from that respondent and no further comments on DCP 114 were received.

**Are there any alternative solutions or matters that should be considered for DCP 114?**

- 9.7 The Working Group noted that eight respondents did not think that an alternative solution or matter should be considered for DCP 114, and two respondents proposed alternative solutions.

- 9.8 One respondent stated that if the MIC and MEC were exceeded an appropriate mechanism could be the application of a use of system excess capacity charge for 12 months. The Working Group agreed that this proposal was outside the scope of the CP.

- 9.9 Another respondent expressed the viewpoint that more innovative solutions should be considered, such as changes to P2/6. The Working Group agreed that the CP did not prevent innovative solutions being considered. However, this CP was developed to

address the situation where there is no dialogue between the customer and a DNO that had tried to engage with the customer. The Working Group agreed to amend the legal text to include the consideration of alternative solution by amending Clause 12.5 to add an additional sub-clause saying that the customer may propose an alternative agreement pursuant to Clause 22.2.

**Are you supportive of the proposed implementation date of the first release after Authority approval for DCP 114? If not, please provide your rationale.**

9.10 The Working Group noted that eight respondents were supportive of the proposed implementation date and one respondent did not provide a comment.

9.11 The one respondent that did not support the implementation date did so because they did not support the CP in its current form.

**Are there any unintended consequences of DCP 114?**

9.12 The Working Group noted that seven respondents did not think there were any unintended consequences for DCP 114, and three expressed the view that there were unintended consequences.

9.13 One respondent mentioned that they thought this CP was outside the scope of sections 16 to 21 of the Electricity Act. The Working Group agreed that the CP sought to describe a process outside of the Act, but requested that further clarification be sought from the respondent around this comment.

9.14 Concerns regarding the timescales involved and the ability of companies to respond was given as an unintended consequence by one respondent. This was a concern which the Working Group agreed had been addressed previously.

9.15 One respondent highlighted that they believed that an unintended consequence of the CP was that they would be unfairly penalised for force majeure events where they would have a higher electricity demand. In response, the Working Group stated that the capacity of a pumping station is based on the size of the motor. In this circumstance the customer would receive a letter from the DNO and the customer would be able to respond highlighting that it was a force majeure event and they would not exceed their capacity afterwards.

**Please state any other comments or views on DCP 114**

- 9.16 The Working Group noted that seven respondents did not have any further comments or views on the CP and three respondents had comments.
- 9.17 One respondent highlighted that the capacity was an integral part of the terms offered under s16 and s16A of the Electricity Act.
- 9.18 Another respondent mentioned that there are occasions when the customer may exceed their capacity and the DNO could accommodate this at 'off peak' times. Therefore, this circumstance could warrant a tariff with reduced capacity charges, such tariffs having existed prior to CDCM. The Working Group agreed that this would involve a change to charging methodologies, which is outside the scope of the CP.
- 9.19 Another respondent expects that DNOs should make customers aware of the options available to them through correspondence. The Working Group agreed that there may be a lack of customer awareness on the options available to customers, and highlighted that when customers breach their capacity DNOs should inform the customers of the options available to them.

**10 DCP 114 – WORKING GROUP CONCLUSIONS**

- 10.1 The Working Group concluded that the majority of respondents to the consultation understood the intent of DCP 114 and were supportive of its principles. The main outcome of DCP 114 is to describe a process that may be followed for dealing with excess capacity use.
- 10.2 The Working Group concluded that the CP relates to DNOs taking action following a breach of a connection agreement. The change does not seek to address charging customers for extra capacity. The CP seeks to make the network more efficient.
- 10.3 During the progression of the CP, the Working Group sought legal advice on whether a relevant Party could refer matters to the Authority. The advice stated that the disputes under the NTC, concerning terms or the application of them, as opposed to clear breaches, are referable to Ofgem under the Electricity Act s16-23 (as relevant) as the Act concerns maintaining as well as making connections. The Working Group concluded that the right exists now but the NTC appear to be silent on it.

## 11 PROPOSED LEGAL TEXT

10.1 The draft legal text has been reviewed by Wragge & Co and is provided as Attachment 1. In summary the solution proposed by DCP114 to the issue of over utilisation of capacity is as follows;

- it formalises a procedure for the management of cases where the customer exceeds its Maximum Import Capacity (MIC) or Maximum Export Capacity (MEC), and provides rights for the distributor to take appropriate action against persistent breaches.
- the new procedure includes a written notice from the distributor, an explicit opportunity for the customer to dispute that notice, a defined timescale for resolution, and an opportunity for the customer to seek an extension to the timetable if appropriate (e.g. for complex sites).
- in the case of persistent breaches, the proposed DCP 114 solution provides a right for the distributor to fit current-limiting equipment and, in some circumstances, to recover its costs of doing so.
- it removes the current right of the distributor to recover use of system charges for exceeded capacity directly from the customer if that money cannot be recovered from the supplier.
- the proposed procedure envisages that the distributor could offer an increase in MIC or MEC to the customer but no such increase would come into force, and no connection charges would be payable, unless the customer had explicitly accepted the distributor's offer.

## 12 EVALUATION AGAINST THE DCUSA OBJECTIVES

12.1 The Working Group considers that the following DCUSA Objective is better facilitated by DCP 114:

**General Objective One - The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Network**

12.2 General Objective One is better facilitated because the options available to DNOs, under the NTC, to influence customer behaviour and prevent breaches of MIC/MEC

are extremely limited. Where dialogue with customers fails, the only recourse available to DNOs is the threat of de-energisation. Other than in the most severe of circumstances, DNOs have resisted enforcing this ultimate sanction. Under this proposal reinforcement costs are delayed – e.g. customers are incentivised to maintain MIC/MEC within the level(s) agreed with the DNO.

12.3 The Working Group believes that the CP is neutral against the remaining DCUSA Objectives.

### **13 ENVIRONMENTAL IMPACT**

13.1 In accordance with DCUSA clause 11.14.6, the Working Group assessed whether there would be a material impact on greenhouse gas emissions if DCP 114 were implemented. The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of this Change Proposal.

### **14 IMPLEMENTATION**

14.1 DCP 114 requires consent by the Authority. The Authority's decision will be published on the Ofgem website, [www.ofgem.gov.uk](http://www.ofgem.gov.uk) and the DCUSA website, [www.dcusa.co.uk](http://www.dcusa.co.uk).

14.2 If approved, DCP 114 will be implemented at the next DCUSA release that is more than three months following Authority consent and notice of the change to the NTC will be published in the London Gazette<sup>4</sup>.

### **15 ENGAGEMENT WITH THE AUTHORITY**

15.1 Ofgem has been fully engaged throughout the development of DCP 114 as a member of the Working Group.

### **16 PANEL RECOMMENDATION**

16.1 The DCUSA Panel approved the DCP 114 Change Report at its meeting on 20 May 2015.

16.2 The timetable for the progression of the Change Proposals is set out below:

<b>Activity</b>	<b>Date</b>
Change Report approved by DCUSA Panel	20 May 2015

Change Report issued for voting	22 May 2015
Voting closes	15 June 2015
Change Declaration	17 June 2015
Authority Decision	22 July 2015
DCP 114 Implemented	Next Practicable Release (Having regard to needing to publish a notice in the London Gazette)

## 17 NEXT STEPS

17.1 Parties are invited to consider the proposed amendment (Attachment 1) and submit their votes using the Voting form (Attachment2) to [DCUSA@electralink.co.uk](mailto:DCUSA@electralink.co.uk) by **15 June 2015**.

17.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA by email [DCUSA@electralink.co.uk](mailto:DCUSA@electralink.co.uk) to or telephone 020 7432 2842.

### ATTACHMENTS:

- Attachment 1 – DCP 114 Legal Text
- Attachment 2 – DCP 114 Voting Form
- Attachment 3 – DCP 114 CP Form
- Attachment 4 – DCP 114 and 115 Consultation One with responses
- Attachment 5 – DCP 114 and 115 Consultation Two with responses
- Attachment 6 – DCP 114 and 115 Consultation Three with responses
- Attachment 7 – DCP 114 and 115 Consultation Four with responses