




DCUSA Change Report		At what stage is this document in the process?
<h2>DCP 298</h2> <h3>Notice of RAV</h3> <p><i>Raised on 26 April 2017 as a Standard Change</i></p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
Purpose of Change Proposal: DCP 298 seeks to remove an unnecessary clause in Schedule 1.		
	This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 298 – Notice of RAV	
	Parties are invited to consider the proposed amendment (Attachment 1) and submit their votes using the Voting form (Attachment 2) to dcusa@electralink.co.uk by 14 July 2017	
	The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.	
	If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to dcusa@electralink.co.uk or telephone 020 7432 3011.	
	Parties Impacted: Distribution Network Operators (DNOs), Independent Distribution Network Operators (IDNOs) and Suppliers	
	Impacted Clauses: Schedule 1, Clause 3.6	

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Any questions?

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Timetable

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Activity	Date
Initial Assessment Report Approved by Panel	17 May 2017
Change Report Approved by Panel	21 June 2017
Change Report issued for Voting	23 June 2017
Party Voting Closes	14 July 2017
Change Declaration Issued to Parties	18 July 2017
Implementation	01 October 2017

1 Executive Summary

What?

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors and electricity Suppliers and large Generators. Parties to the DCUSA can raise Change Proposals (CPs) to amend the Agreement with the consent of other Parties and (where applicable) the Authority.
- 1.2 Schedule 1, Clause 3.6 requires the Company to give Users one month's notice of an intent to use a new value of RAV to calculate the Credit Allowance. However, DCP 279 *'Linking Credit Cover to the Annual Iteration Process'* has introduced a fixed method for calculating the RAV using published data. Therefore, there is no longer a need to give one month's notice of a change in the value of RAV which means Clause 3.6 is unnecessary and reduces the efficiency of the DCUSA.

Why?

- 1.3 RAV is now calculated via a fixed method that uses published data, therefore, there is no longer a need to give one month's notice of an intent to use a new value of RAV to calculate the Credit Allowance. This Change Proposal seeks to remove the unnecessary provision which is contained within Clause 3.6 of Schedule 1.

How?

- 1.4 This change seeks to remove Clause 3.6 in its entirety from Schedule 1.

2 Governance

Justification for Part 2 Matter

- 2.1 DCP 298 has been classed as a Part 2 Matter as it is tidying up a Clause that could have been removed as part of DCP 279 and therefore, Authority consent is not required.
- 2.2 This issue was brought to the attention of the DCUSA Panel at their meeting in February 2017, where the Panel agreed for the Secretariat to log as a housekeeping item. This change simply seeks to remove an unnecessary provision to improve efficiency.

Requested Next Steps

- 2.3 The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 298.
- 2.4 The DCUSA Panel recommends that this CP:
 - Be issued to Parties for Voting.

3 Why Change?

Background of DCP 298

- 3.1 DCP 298 was raised by UK Power Networks as a result of the implementation of DCP 279 which was implemented on 23 February 2017.
- 3.2 RAV is now calculated via a fixed method that uses published data, therefore, there is no longer a need to give one month's notice of an intent to use a new value of RAV to calculate the Credit Allowance. This Change Proposal seeks to remove the unnecessary provision which is contained within Clause 3.6 of Schedule 1.
- 3.1 The practical outcome of this proposal is that Suppliers will no longer receive one month's notice from Distributors each time they intend to use a new value of RAV for calculating credit cover. Instead, as a consequence of DCP279, Distributors will change the value of RAV that they use with effect from 1 April each year. The new value of RAV used from 1 April will be the relevant value published by Ofgem in the Price Control Financial Model (normally published in the preceding November), adjusted for RPI using published index data. The latest PCFM can be found at (<https://www.ofgem.gov.uk/network-regulation-riio-model/price-controls-financial-model-pcfm/riio-ed1-financial-model>).

4 Solution

DCP 298 Assessment

- 4.1 The DCUSA Panel recommended that the CP be progressed to the Change Report Phase.
- 4.2 This change seeks to remove Clause 3.6 in its entirety from Schedule 1. By removing Clause 3.6 from Schedule 1, an unnecessary provision is removed, thereby improving efficiency.

5 Relevant Objectives

Assessment Against the DCUSA Objectives

- 5.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better meets the DCUSA Objectives.
- 5.2 The CP form provided as Attachment 3, details which of the DCUSA Objectives the Proposer considers DCP 298 better facilitates.

Impact of the Change Proposal on the Relevant Objectives:

Relevant Objective	Identified impact
General Objective Four - The promotion of efficiency in the implementation and administration of this Agreement	Positive

- 5.3 By removing Clause 3.6 from Schedule 1, an unnecessary and possibly misleading provision is removed, thereby improving efficiency which better facilitates DCUSA General Objective four.

6 Impacts & Other Considerations

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

- 6.1 Not applicable

Consumer Impacts

- 6.2 No consumer impacts have been identified.

Environmental Impacts

- 6.3 In accordance with DCUSA Clause 11.14.6, the Proposer assessed whether there would be a material impact on greenhouse gas emissions if DCP 298 were implemented. The Proposer did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

7 Implementation

- 7.1 The proposed implementation date for DCP 298 is 01 October 2017 as this is the next scheduled DCUSA release date that is applicable.

8 Legal Text

- 8.1 The legal text for DCP 298 has been reviewed by the DCUSA legal adviser and is provided as Attachment 1.
- 8.2 The legal text sets out the amendments made to the legal text, specifically the removal of the text within Clause 3.6 from Schedule 1 and the inclusion of the wording 'Not used' against Clause 3.6 to preserve the numbering in the Schedule.
- 8.3 The Proposer is satisfied that the legal text meets the intent of the change.

9 Code Specific Matters

Modelling Specification Documents

9.1 Not applicable.

Reference Documents

9.2 Not applicable.

10 Recommendations

Panel's Recommendation

- 10.1 The Panel approved this Change Report on 21 June 2017. The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 298.
- 10.2 The Panel have recommended that this report is issued for Voting and DCUSA Parties should consider whether they wish to submit views regarding this Change Proposal.

Attachments

- Attachment 1 – DCP 298 Legal Text
- Attachment 2 – Voting Form
- Attachment 3 – DCP 298 Change Proposal