

**DCUSA DCP 289 - 289A - 289B CHANGE DECLARATION****VOTING END DATE:** 14 JULY 2017

DCP 289 - 289A - 289B	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
DCP 289 - CHANGE SOLUTION	Accept	Reject	Accept	n/a	n/a
DCP 289A - CHANGE SOLUTION	Accept	Accept	Accept	n/a	n/a
DCP 289B - CHANGE SOLUTION	Accept	Reject	Accept	n/a	n/a
IMPLEMENTATION DATE	Accept	Accept	Accept	n/a	n/a
DCP 289 - RECOMMENDATION	<b>Change Solution – Accept.</b> In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was more than 50% in all Categories.				
DCP 289A - RECOMMENDATION	<b>Change Solution – Accept.</b> In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was more than 50% in all Categories.				
DCP 289B - RECOMMENDATION	<b>Change Solution – Accept.</b> In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was more than 50% in all Categories.				
IMPLEMENTATION DATE - RECOMMENDATION	<b>Implementation Date – Accept.</b> In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was more than 50% in all Categories.				
PART ONE / PART TWO	<b>Part One</b> – Authority Determination Required				

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<b>PARTY</b>	<b>289 SOLUTION (PREFERENCE)</b>	<b>289A SOLUTION (PREFERENCE)</b>	<b>289B SOLUTION (PREFERENCE)</b>	<b>IMPLEMENTATION DATE (A / R)</b>	<b>WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?</b>	<b>COMMENTS</b>
<b>DNO PARTIES</b>						
Northern Powergrid (Northeast) Ltd	Accept (1)	Accept (3)	Accept (2)	Accept	General Objective 4 'The promotion of efficiency in the implementation and administration of the DCUSA' will be better facilitated. This objective will be better facilitated as a result of this change as it will ensure that current discussions and debates relating to Use of System charging will be open to all DCUSA parties.	DCP 289: 1 – This is our first choice as we believe that this group should be funded by all DCUSA parties. We see this as a complimentary process that could ultimately result in efficiencies within working groups, and as such the costs should be shared. We do not consider that a short term and immaterial item, which would not, as the proposer of DCP 289A suggests, represent DNOs retaining all cost savings, should detract from the benefit and appropriateness of sharing costs between all DCUSA parties for the groups which are moved under the DCUSA. We consider that this change should be made as soon as possible and without the unnecessary complication of changing funding arrangements at a later date. Under this option, DNOs should not include a view of associated

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						<p>costs in their future price control settlement business plans.</p> <p>DCP 289A: 3 – This is our third choice as we consider the costs associated to be immaterial and it is more important that the fundamental basis of the change, regardless of funding arrangements, is successful. Under this option, DNOs should include a view of associated costs in their future price control settlement business plans.</p> <p>DCP 289B: 2 - This is our second choice as we consider that it is appropriate that ultimately the costs for funding these groups are shared by all DCUSA parties, whilst recognising that DNOs are to some extent funded via the RIIO-ED1 price control settlement for this, but we retain the view that these costs are immaterial. Under this option, DNOs should not include a view of associated costs in their future price control settlement business plans.</p>
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Northern Powergrid (Yorkshire) plc	Accept (1)	Accept (3)	Accept (2)	Accept		
SP Manweb	Accept (1)	Accept (3)	Accept (2)	Accept	General Objective 4 it will ensure that current discussions and debates relating to Use of System Charge setting will be open to all.	No Additional Comments
SP Distribution	Accept (1)	Accept (3)	Accept (2)	Accept		
Southern Electric power Distribution plc	Accept	Reject	Reject		DCP289 better facilitates General Objective 3 as it would significantly streamline the arrangements for discussion and development of the DUoS charging methodologies.	
Scottish Hydro Electric Power Distribution plc	Accept	Reject	Reject			
Western Power Distribution (East Midlands )	Accept (2)	Accept (3)	Accept (1)	Accept	General objectives 3 and 4 – the greater consistency of approach should ensure access to all discussions are available to individuals even if they haven't attended the meeting in person.	
Western Power Distribution (West Midlands )	Accept (2)	Accept (3)	Accept (1)	Accept		
Western Power Distribution ( South West)	Accept (2)	Accept (3)	Accept (1)	Accept		
Western Power Distribution (South Wales )	Accept (2)	Accept (3)	Accept (1)	Accept		

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Eastern Power Networks	Accept	Reject	Reject	Accept	<p>We believe that DCP289 will better facilitate charging objectives 3 and 4 as a result of creating a single group to co-ordinate the charging discussions under the governance of DCUSA which will assist in making the discussions more open and visible for all involved.</p> <p>We are concerned that both DCP289A and DCP289B would create a precedent for a change to the fundamental charging arrangements which exist within DCUSA, whereby costs are currently equally shared between parties. The considerable extra administrative work (and additional costs) thereby created would negatively impact upon charging objective 6.</p>	
London Power Networks	Accept	Reject	Reject	Accept		
South Eastern Power Networks	Accept	Reject	Reject	Accept		
Electricity North West	Accept	Reject	Reject		<p>We believe this change better facilitates DCUSA General Objectives 3 and 4 as one forum is created and managed through DCUSA for the discussions on the management and application of charging methodologies, including the raising of and analysis of change proposals. Therefore, it will reduce fragmentation and ensure that</p>	<p>DCP 289 has been proposed to benefit all parties by the provision of a new single group which should help improve engagement and result in efficiencies, together with the output being more easily accessible through the DCUSA website.</p> <p>Consequently, instead of looking back to the cost sharing</p>

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					current discussions and debates relating to Use of System Charge setting will be open to all.	of historical groups we should share costs for this new group and take it forward for the benefit of all parties.
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IDNO PARTIES						
ESP Electricity Ltd (ESPE)	Accept (3)	Accept (2)	Accept (1)	Accept	<p>While we believe that all 3 DCPs facilitate DCUSA General Objectives 3 and 4, ESPE's view is that DCP298B better facilitates these objectives.</p> <p>With respect to General Objective 3, DNOs will be able to discharge their Licence Condition 13A obligations through the proposed Distribution Charging Methodology Group (DCMDG). DCP289A and DCP289B ensure that the costs are defrayed and recovered by the appropriate Parties (i.e. those with the Licence Obligation to maintain the Charging Methodology). In the case of DCP289B, stating that this arrangement continues until the implementation of RIIO ED2 will provide the driver and flexibility for any charging arrangements developed by the DCMDG to change, subject to future review.</p>	

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					<p>With respect to General Objective 4, the DNOs' Charging Methodology (the CDCM) forms part of the DCUSA. A single monthly meeting represents improved efficiency with respect to the administration and implementation of DCUSA. This reduces the costs DNOs face, while also reducing the complexity of the administrative arrangements. Other Parties' costs in monitoring and attending multiple meetings should also decrease. Most importantly, these time and cost savings will ultimately be beneficial to the end consumer.</p>	
The Electricity Network Company Ltd	Reject	Accept	Reject	Accept	<p>We believe that DCUSA General Objective 3 is better facilitated by DCP 289A. It is the DNO's licence condition to review the Charging Methodologies, so we agree that the DNOs should fund the activities of the DCMDG, in the same fashion as they currently do. It seems unfair for other DCUSA parties to fund a forum that allows the DNOs to remain compliant.</p> <p>We also believe that General Objective 4 is better met by this change proposal as the inclusion</p>	<p>Whilst there is no ability to indicate a second preference, we would consider 289B to be the better solution over the original DCP289. We believe that DCP 289A is preferable to DCP 289B because we believe that this group will still be used by the DNOs to meet their licence condition 13A. We note that this funding approach is retained by the CCMF which we believe to be funded by the DNOs and for which the same licence condition wording applies. Any costs borne by the DNO in providing funding</p>

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					<p>of these three groups within a single group coming into DCUSA governance allows for a more efficient pre modification process and will increase the efficiency of the formal change process.</p>	<p>for this meeting will be met by suppliers (through DuOS) and, therefore, customers. We believe that because of this the licence condition obligation remains the strongest principle by which costs for the DCMDG should be allocated.</p> <p>We would also like to note that we feel it is important that this new group does not supersede the formal change process or become a requirement of the formal change process. We do anticipate that this group will be a useful forum to discuss issues and formulate change proposals but we would like the terms of reference to be clear insofar as not making it a prerequisite for charging methodology proposals to be discussed by this group. Such terms would negate the increased efficiency of this group.</p>
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**SUPPLIER PARTIES**

British Gas	Reject	Accept	Reject	Accept	<p><b><u>DCP 289A</u></b> DNOs have licence obligations to keep the charging methodology under review to ensure that it</p>	<p><b><u>DCP 289B</u></b> To be clear, we consider that DCP 289B also better facilitates the DCUSA objectives for the same reasons as DCP 289A. However the</p>
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					<p>continues to achieve the Relevant Objectives. As is set out in the relevant terms of reference for the DCMF and the DCMF MIG, DNOs have used these groups to help fulfil this obligation.</p> <p>DNOs have also been provided with an allowance on the basis of funding the activities of the DCMF, DCMF MIG (and DCM) through the RIIO ED1 price control.</p> <p>By consolidating the activities of these groups into the DCMDG, General Objectives three and four are better facilitated as a result of this change as it will reduce fragmentation and ensure that current discussions and debates relating to Use of System Charge setting will be open to all.</p>	<p>specific voting arrangements appear to prevent the option of accepting two of the proposals and rejecting one. Whilst we are supportive of DCP 289B, we have a slight preference for DCP 289A as we consider that an incentive on DNOs to ensure costs are no higher than they should be will bring additional efficiencies to the change process.</p> <p><b><u>DCP 289</u></b></p> <p>DCP 289 should be rejected. Whilst General Objective four will also be better facilitated by DCP289, General Objective three will be adversely affected. DCP 289 will result in customers paying twice for the activities being moved to the new group as supplier industry costs would increase with no full corresponding reduction in DNO allowed revenues. We do not believe that increasing costs for customers can be viewed as efficient.</p> <p>Additionally, there will be reduced ongoing incentive on DNOs to improve efficiency. This is because, by the moving costs from DNOs to customers, the level of costs subject the RIIO efficiency incentive is reduced.</p>
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						DCP289 therefore performs worse against the status quo for efficient discharge by the DNO Parties of obligations imposed upon them in their Distribution Licences.
E.ON UK	Accept (2)	Accept (1)	Accept (3)	Accept	Objective 4 – Reduction in required meetings thus streamlining and improving the cost effectiveness of the service.	
Haven Power Ltd	Accept (3)	Accept (1)	Accept (2)	Accept	Objectives 3 and 4 are facilitated – The CP should bring more coordination and transparency to activities resulting in improved efficiencies of both DNO/ IDNO obligations and the implementation of the DCUSA agreement. We would expect to see a reduction in resource, allowing modifications to be progressed more efficiently.	No
SSE Energy Supply	Accept (2)	Accept (1)	Accept (3)	Accept	DCUSA Objective 4 as the streamlining of the groups into one should promote better efficiency	
Opus Energy Ltd	Accept (3)	Accept (1)	Accept (2)	Accept	Objectives 3 and 4 – Creation of a new working group, for the Use of System charging methodologies and related	No

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					DCUSA topics should make processes more efficient, and allow modifications to be progressed more efficiently.	
DISTRIBUTED GENERATOR PARTIES						
GAS SUPPLIER PARTIES						