

**DCUSA DCP 268 CHANGE DECLARATION****VOTING END DATE: 14 MAY 2018**

DCP 268 – DUOS CHARGING USING HH SETTLEMENT	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
CHANGE SOLUTION	Accept	Reject	Accept	n/a	n/a
IMPLEMENTATION DATE	Accept	Reject	Accept	n/a	n/a
RECOMMENDATION	<p><b>Change Solution – Accept.</b></p> <p>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></p> <p>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	<b>Part One</b> – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTA TION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
<b>DNO PARTIES</b>				
SP Distribution	Accept	Accept	<b>Charging Objective Two</b> Enables time of use tariffs in the supply industry, facilitating innovative tariffs and competition. <b>Charging Objective Three</b> Where metering allows, the network use costs will be clearer, using supplier portfolios, and the DNO time bands can more accurately reflect the cost of using the network. <b>Charging Objective Four</b> This change sits alongside the developments in half hour metering and smart meters.	No Additional Comments
SP Manweb	Accept	Accept		
Electricity North West	Accept	Accept	We believe this change better facilitates DCUSA charging objectives as follows:  Charging Objective 2 Enables greater flexibility of time of use supply tariffs. Better reflects the impact of network users on the system, and hence removes barriers to competition, particularly between intermittent and non-intermittent generators.	None

			<p>Charging Objective 3 Removing the intermittent/non-intermittent distinction will result in more cost reflective tariffs.</p> <p>Charging Objective 4 This change reflects the development of half-hourly smart meters, and could help give customers confidence that choosing this technology will not lead to different/unfair network charges.</p>	
Northern Powergrid (Northeast) Ltd	Accept	Accept	<p>We believe that this change better facilitates the following objectives:</p> <ul style="list-style-type: none"> <li>Charging Objective 2 as the wider use of time band pricing will make DUoS pricing more transparent, which will influence customers to respond to the cost signals providing they are offered by suppliers;</li> <li>Charging Objective 3 as use of the specific DNO time bands more accurately reflect the costs of using the distribution network; and</li> <li>Charging Objective 6 by reducing the number of</li> </ul>	<p>We believe the benefits of DCP 268 for smoothing a customer's transition from NHH to HH settlement are clear, and as a result would welcome DCP 268 being implemented at the earliest opportunity, namely April 2020. Any delay to implementation would simply result in diminished benefits, with customers migrating to HH settlement in the period prior to implementation of DCP 268 potentially being subject to an unnecessary step change in Use of System charges.</p> <p>We understand that implementation in April 2020 may put Parties under pressure to deliver necessary system changes, but consider this necessary in order to deliver the benefits of DCP 268.</p>
Northern Powergrid (Yorkshire) plc	Accept	Accept		

			tariffs needing to be maintained by DNOs, and consequently simplifying both the calculation of tariffs and processes for assigning tariffs to customers.	We look forward to a timely Ofgem decision on this change, in order to enable industry to progress with implementation.
Southern Electric Power Distribution plc	Accept	Accept	We agree with the Working Group that charging objectives 2, 3, 4 & 6 are better facilitated for the reasons outlined in the Change Report.	As this change proposes to remove the distinction between intermittent and non-intermittent generation, there is the potential to create a disconnect between the generation technologies and the support that they are capable of providing to the network to defer/avoid network reinforcement. This is further highlighted in paragraphs 4.130 to 4.134 of the change report.
Scottish Hydro Electric Power Distribution plc	Accept	Accept		
Eastern Power Networks	Reject	Reject	<p>We do not believe that any of the DCUSA charging objectives are better facilitated by this change proposal.</p> <p>We continue to have significant concerns over this change, and whether at the current time, in advance of a clear decision on HH settlement and whilst Smart Meters are still being installed, it is appropriate to progress.</p>	We do not agree that the implementation date should be 1 April 2020. This change would require a significant rebuild of our billing system that would take a minimum 24 months to design, build, successfully test and to fully implement the solution. The current timetable (as detailed in the change report) states that an Authority decision is not expected until 21 June 2018, as a result an implementation date of 1 April 2020 is unlikely to be achievable.
London Power Networks	Reject	Reject		
South Eastern Power Networks	Reject	Reject		

			<p>We also question whether it truly delivers an improvement to the existing arrangements.</p> <p>As a result of this change, the consumption data will remain based on the same profile data that is used today, this will not allow charges to Suppliers and IDNOs to reflect actual consumption in each published time band. Where Smart Meters have been installed, the tariffs introduced as a result of the previous change alongside the new Measurement Classes (MC) 'F' and 'G' would already deliver the benefits which this change purports to deliver, without the indirect additional cost.</p>	<p>In addition to the time requirement, we believe the cost of system changes, which will be significant, is totally unnecessary as it is expected that a majority of customers will have Smart Meters installed by 2020 and should be migrated to MC 'F' &amp; 'G', at which point this change would offer no benefit to customers.</p> <p>It is also worth noting that in May 2016 Ofgem published a conclusions paper on HH settlement which stated that there were no immediate barriers to elective HH settlement within the distribution charging arrangements. We believe that a more expedient solution would be to encourage suppliers to settle on HH aggregate data as Smart metering is installed.</p> <p>Finally we believe that there is a potentially significant impact as a result of the work currently being discussed by the Network Access and Forward Looking Charges task forces under the Charging Future Forum (CFF). Changes from this work could potentially alter tariff structures with a knock on impact to DUoS charging/billing arrangements.</p>
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WPD West Midlands	Accept	Accept	WPD agree with the change report that charging objectives 2, 3, 4 and 6 are better satisfied.	
WPD East Midlands	Accept	Accept		
WPD South Wales	Accept	Accept		
WPD South West	Accept	Accept		
IDNO PARTIES				
ESP Electricity Ltd	Reject	Reject	ESPE do not agree with the working group’s view that Charging Objectives 2, 3 and 4 are better facilitated by this change, in particular Objective 2, as it will place unnecessary and burdensome costs on both existing parties and new market entrants, thereby stifling competition.	<p>ESPE does not support the proposed solution of a ‘Distributor Approach’.</p> <p>There would be significant costs, across the industry, to implement the solution and those costs far outweigh the benefits of a Distributor Approach to HH settlement. The solution proposed will require numerous systems in the industry to be modified, including the BSC’s SVAA arrangements. We believe a more pragmatic, cost efficient solution should be taken forward.</p> <p>A proven model, using a Centralised Approach (introduced by BSC Modification P300 and supporting DCUSA change DCP179), currently exists to charge DUoS using HH settlement data and is supported by the entire industry. P300/DCP179 applied ‘pseudo’ profile classes, SSCs TPRs to the D0030</p>

				'Aggregated DUoS Report' requiring no change to existing industry systems.
Leep Electricity Networks Limited	Reject	Reject		
The Electricity Network Company Ltd	Reject	Reject	We do not believe that this change better facilitates any of the relevant charging objectives.	<p>We note that in the change report the working group have asserted that charging objective two is better facilitated. However, we remain unconvinced that this is the case as customers will not be able to respond to pricing signals if they are billed based on profiled data. This does not encourage users to increase their off-peak consumption nor does it encourage them to reduce their peak consumption. Whilst a greater visibility among suppliers (and possibly users) will allow a broader understanding of the time-based charging bands we do not believe that this will benefit consumers or distributors until such time as real consumption data can be used in settlement and billing.</p> <p>We do not agree with the working group's comment that this change proposal will better facilitate the third charging objective. We do not see how this change proposal will increase cost reflectivity as it allocates a time band</p>

				<p>charge that is not based on actual data. Consumers who use the system at different times will not be charged different prices for use of system and so there cannot be considered to be any increase in cost reflectivity in these charges.</p> <p>Finally, to implement the DCP 268 solution, costly and time-consuming amendments are required to billing systems. For parties that use a common system (Durabill – Network Parties, Sonet – Supplier Parties), these costs can be socialised. For parties that use a bespoke billing system (i.e. many of the IDNO parties, plus at least three of the largest DNO areas) these costs cannot be socialised. The resultant charges are extremely high and are unacceptable for a change that we believe currently brings no benefit to the DCUSA or the industry.</p>
<b>SUPPLIER PARTIES</b>				
E.ON UK	Accept	Accept	General objective 2 – This CP will facilitate more structured pricing for NHH customers and allow more fluid competition in the market.	



Npower	Accept	Accept	Npower are supportive of this change, we feel that this provides suppliers the ability to offer customers innovative time of use tariffs without the costs of full HH settlement therefore it will facilitate competition in electricity supply. We believe that objectives 2 is met by this change	
Spark Energy Limited	Accept	Accept	The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.	
SSE Energy Supply	Accept	Reject	Objective 2. Provides the necessary cost signals through the Red Amber Green structure to encourage the development of innovative tariffs within electricity supply	
Haven Power	Accept	Accept	We agree with the Workgroup consensus that for both demand and generation, DCUSA Charging Objectives 2, 3 and 4 are better facilitated by DCP 268, we also believe it does not impact Charging Objectives 1 and 5 and is neutral to Charging Objective 6.	
Opus Energy Ltd	Accept	Accept	Objective 2 – Wider use of time bands will increase transparency for DUoS	No.

			<p>pricing and allow greater flexibility to offer Time of Use Tariffs, promoting competition.</p> <p>Objective 3 – Use of specific DNO time bands will more accurately reflect costs of using the network.</p> <p>Objective 4 - Promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</p>	
The Renewable Energy Company (Ecotricity)	Accept	Accept	<p>Ecotricity believes that DCUSA Charging Objective Two and Three are better facilitated by the implementation of DCP268.</p> <p>DCUSA Charging Objective Two is better facilitated due to the innovation and competition which DCP268 will enable. This is primarily through allowing suppliers the ability to offer time-of-use tariffs and providing cost-signals which will result in more efficient use of the distribution system.</p> <p>DCUSA Charging Objective Three will be better facilitated once HH metering is in place and used by the industry. Once in place, this shall ensure that use of the DNO specific time-bands will be a truer reflection of the costs of</p>	Ecotricity has no further comments to provide.

			using the distribution network at these times.	
<b>DISTRIBUTED GENERATOR PARTIES</b>				
N/A				
<b>GAS SUPPLIER PARTIES</b>				
N/A				