



DCUSA CONSULTATION

DCP 248 - Providing Protection for Customers against Being Charged Inappropriate Capacity Charges During the Implementation of P272

DCP 248 seeks to protect customers with CT meters impacted by P272 either by allowing them a grace period of at least 12 months to change their MIC and have it applied retrospectively, or by basing their capacity charges during the 12 month grace period on a measure of their Maximum Demand.

You are invited to respond to this consultation on DCP 248 by **4 December 2015**.

1 PURPOSE

- 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.
- 1.2 This document is a Consultation issued to DNO, IDNO, Suppliers, Citizens Advice, ELEXON, any other interested Parties and the Authority in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 248 'Providing Protection for Customers against Being Charged Inappropriate Capacity Charges During The Implementation of P272'
- 1.3 You are invited to consider the questions set out in Section 8 below and submit comments using the form provided as Attachment 1 to dcusa@electralink.co.uk by **4 December 2015**.

2 Background of DCP 248

- 2.1 DCP 248 was raised by British Gas and sought to protect customers with CT meters impacted by P272 by allowing them a grace period of at least 12 months to agree the Maximum Import Capacity which would then be applied from the date of their change in measurement class. Following consideration by the Working Group, it was agreed for a further three options to be considered as part of DCP 248. All three of these additional options facilitate the objective of the change, which is to protect customers from inappropriate capacity charges during the implementation of P272. However these additional options do so by basing capacity charges on a measure of the customer's maximum demand right from the beginning following their change of measurement class. The DCP 248 proposer agrees that these alternative options are consistent with their intent for the change proposal. These options are detailed in Section 4 below.
- 2.2 The need for DCP 248 originated from the introduction of the Balancing and Settlement Code (BSC) Change P272, which requires that PC5-8 customers become HH settled (where capable metering has been installed). Suppliers are therefore in the process of migrating these customers to HH settlement.
- 2.3 One important issue raised by this migration is the need for DNOs to assign a Maximum Import Capacity (MIC) for any site that will be subject to DUoS capacity charges. Under

normal circumstances the MIC will be agreed after engagement between the customer and the DNO and will be captured in the connection agreement. However P272 has created a set of exceptional circumstances whereby DNOs will need to assign a MIC for in the region of 71,000 CT metered customers nationally migrating to HH settlement over a short period of time, the majority of whom have no currently agreed MIC or individual connection agreement. Where connection agreements and MICs do exist for sites, it is likely that some of these agreements will have been entered into by a previous tenant and/or will not reflect the current demand of the site.

- 2.4 Without appropriate MICs, DUoS charges will not be levied at a level commensurate with a customers' demand or requirements. The significant volume of customers involved in the P272 migration means that the normal level of engagement with the customer will not be possible prior to the commencement of HH DUoS charges for all of these sites.
- 2.5 DCP 179, which was approved in October 2014, sought to facilitate P272. The DCP 179 Change Report identified that there would be an additional 70,992 customers which would incur a capacity charge following implementation of P272. The DCP 179 Change Report also recognised that DNOs may not currently hold capacity values for all these customers. To overcome the challenge of agreeing suitable MICs for each customer the DCP 179 Change Report set out an approach which sought to protect customers from excessive charges resulting from applying an inappropriate MIC. The following is an extract from the DCP 179 Change Report:

"DNOs agreed to adopt a common approach in deriving the capacity values where one is not held. This approach is as follows:

- The DNO will set the capacity value to zero initially and the following month will deem the capacity based on the previous month's maximum capacity.*
- Until a capacity value is agreed with the customer, the DNO will deem the capacity value to be equal to the year to date maximum capacity (this deemed value will be re-assessed once a month)*
- In parallel with the above steps, the DNO will liaise with the customer to establish an agreed Maximum Import Capacity (MIC). (DCUSA Clause 17.10 defines the process for notifying suppliers of a change to the MIC)*

DNOs will undertake this exercise and publish the results via the DCMF MIG subgroup to assist Suppliers and customers in the transitional period while this CP is being implemented.”

2.6 The approach was not incorporated into the DCUSA legal text because of the concerns that customers would be charged the higher excess capacity rate that would have been levied from 1 April 2016 as a result of DCP being approved by the Authority. Since that time the implementation of DCP 161 has been delayed until 1 April 2018. DNOs have therefore proposed varying approaches for setting initial MIC values for CT metered sites affected by P272:

- Some DNOs are deeming a capacity based on customers Maximum Demand data (i.e. not related to any MIC values that are held)
- Some DNOs are using the historic values they hold for the MIC at the site (i.e. not related to the customer’s Maximum Demand data). The historic MIC is used if it was agreed with either the current or a previous tenant at the property. For those DNOs using historic MIC values, where no MIC is available there are also varying approaches being proposed:
 - Some are using Maximum Demand data.
 - Some are using a default value only if no Maximum Demand data is available.
 - Some are using a default value even if maximum demand data is available.
 - The default values themselves may in turn be calculated differently by different DNOs.

2.7 DNOs have written to or are in the process of writing to customers to inform them of the capacity that they propose to use for DUoS charges and inviting them to get in touch if they would like a different value for the MIC. Suppliers are also writing to customers to inform them of the upcoming changes. However regardless of this, there remains a risk that this communication will not reach the relevant people at these sites and as such customers will not engage with the DNO to agree an appropriate MIC prior to the commencement of HH DUoS charges.

2.8 The CDCM currently does not permit a change of MIC to take effect retrospectively. This is an important principle but it is premised on an assumption that the level of MIC has been

agreed between the customer and the DNO at the time of connection, or when an increase has been approved, following a process of active engagement between the two parties. For the vast majority of customers affected by P272, either no MIC has been agreed, or even where a MIC exists, it is likely to represent a connection agreement that was entered into a long time ago which may not have been with the current tenant or which may no longer be relevant for the current demand at the site.

3 Business Justification and Market Benefits

3.1 In the DCP 248 CP form the proposer of DCP 248 explains that despite the efforts of the industry (including DNOs, Suppliers, Ofgem and Elexon) to communicate the upcoming change to customers, there remains a significant risk that customers are not engaged with the process until well after they have migrated to HH DUoS billing. As a result there is a risk that customers could be significantly disadvantaged in any of the following ways:

1. Being subject to standard capacity charges for a MIC which is in excess of their requirements; or
2. Being subject to excess capacity charges set at a much higher rate because a MIC has been set which is too low for their requirements [Note that at the time of submitting the DCP, excess capacity rates were expected to be set at a much higher rate than standard capacity rates from April 2016 and so a MIC being set too low will have caused significant excess capacity charges]; or
3. Losing capacity rights at a site because a default MIC has been applied (and deemed to be accepted) which is lower than a historic MIC which a customer agreed and wishes to retain.

3.2 The proposer believes that there needs to be protection for customers with CT meters impacted by P272, which can be achieved by four different approaches as set out in Section 4 below.

4 Proposed Options for Progression

4.1 The DCUSA Panel established a Working Group to assess DCP 248. The Working Group consists of DNO, Supplier, customer and Ofgem representatives.

4.2 On the 21st October 2015 Ofgem published their decision to defer the implementation of DCP 161 (Excess Capacity Charges) until 1 April 2018. This decision has an impact on DCP

248 since it means that customers affected by P272 will no longer be at risk from being subject to inappropriate excess capacity charges because a MIC has been set which is too low for their requirements. This is because the excess capacity rate will remain at the same rate as the standard capacity charge and means that the potential risk identified in 3.1.2 above has been removed (although the remaining risks identified above remain).

- 4.3 The Working Group discussed the proposed solution, as set out in the DCP 248 CP from (Attachment 2), and also in light of the decision by Ofgem to defer DCP 161, have identified three additional potential approaches which would also provide protection for customers with CT meters impacted by P272. This consultation document seeks views on all four options which are as follows.

Option 1 Original: Billing based on current proposed MICs for each DNO with opportunity for retrospective adjustments following customer request.

- Each DNO sets MIC based on the varying approaches currently proposed (e.g. historic agreement, MD, network average MD, default 71kVA, estimated MD based on consumption)
- Billing will be based on these MICs. Any demand in excess of the MIC will be charged as excess capacity.
- Customers have 12 months from COMC date to agree a reduction to their MIC which will be applied retrospectively from date of COMC.
- After 12 months, protection ceases and future changes to MIC will follow the existing process.
- Protection not available for customers who have signed a connection agreement in last 12 months (since they have engaged and agreed an appropriate value with the DNO).

- 4.4 Under this approach customers with CT meters impacted by P272 would be allowed a grace period of 12 months to agree a reduction to the Maximum Import Capacity which would then be applied from the date of their change in measurement class. During this grace period, billing will be based on an initial Maximum Import Capacity (MIC) value derived using each DNOs own individual approach (see 2.6 above). However the customer will have an opportunity in the 12 months following their change of measurement class to reduce their MIC value and have it applied retrospectively from the date of change of measurement class. After the 12 month grace period the protection would cease and changes to MIC will be on a prospective basis only. This protection would also not be available for customers who have signed a connection agreement in last 12 months (since they have engaged and agreed an appropriate value with the DNO).

Option 2: Billing based on fixed MD for 12 months – use MD of first month to set value

- All customers are set a chargeable MIC of **zero** for **first month**. This means that any demand will be classified as excess capacity and charged as such in the first month.
- Thereafter, for the remainder of the grace period the MIC is fixed at the MD from the first month. Any demand in excess of the MIC charged as excess capacity.
- Approach applied to **all** P272 customers regardless of any previously agreed MIC, including those who have signed a connection agreement within the last 12 months.
- Enduring MICs after the grace period:
 - i. Customers with a previously agreed MIC will need to confirm whether they want to retain (and pay for) their previously agreed MIC.
 - ii. **Engaged** customers without a previously agreed MIC will agree an enduring MIC (which will not take effect until after the 12 month grace period).
 - iii. For **Non-engaged** customers without a previously agreed MIC, the DNO will need to deem an enduring MIC.

- 4.5 The second option for consideration would set the MIC value to zero for the first month. Any demand in this month would be charged as excess capacity. After the first month the MIC would be fixed for the remainder of the grace period at the MD recorded in the first month. At the end of the 12 month period the customer could then agree a MIC value with the DNO or, if the customer does not engage, the DNO would have sufficient data to determine an appropriate value. This option would apply to all customers regardless of whether the DNO has a Maximum Demand or historically agreed MIC value for them. Under this approach there would be no retrospective credit or rebilling.

Option 3: Billing based on floating MD for 12 months

- All customers are set a chargeable MIC of zero for 12 months.
 - Billing will be based on these MICs. This means that any demand will be classified as excess capacity and charged as such in each month i.e. for first 12 months capacity charges will be levied as excess capacity charges based on the customers MD for the month.
 - Approach applied to all P272 customers regardless of any previously agreed MIC, including those who have signed a connection agreement within the last 12 months.
 - Enduring MICs after the grace period:
 - i. Customers with a previously agreed MIC will need to confirm whether they want to retain (and pay for) their previously agreed MIC.
 - ii. Engaged customers without a previously agreed MIC will agree an enduring MIC (which will not take effect until after the 12 month grace period).
 - iii. For Non-engaged customers without a previously agreed MIC, the DNO will need to deem an enduring MIC.
- 4.6 The third option for consideration would set the MIC value to zero for the duration of the grace period. Any demand during the grace period would be charged as excess capacity. At the end of the 12 month period the customer could then agree a MIC value with the DNO or, if the customer does not engage, the DNO would have sufficient data to determine an appropriate value. This option would apply to all customers regardless of whether the DNO has a Maximum Demand or historically agreed MIC value for them. Under this approach there would be no retrospective credit or rebilling.

Option 4: Billing based on fixed MD for 12 months – make use of MD data provided by suppliers

- DNOs use the MD data provided by suppliers to set initial chargeable MIC
- Billing based on this MIC for 12 month grace period. Any demand in excess of the MIC charged as excess capacity

- In instances where no MD data has been provided prior to P272 migration:
 - i. Option 4A: set the chargeable MIC to zero for first month, then set at MD achieved in month 1 for remaining 11 months of grace period (default to option 2)
 - ii. Option 4B: set the chargeable MIC to zero for 12 months (i.e. default to option 3)
 - iii. Option 4C: set the chargeable MIC to a national average MD for PC5-8 customers for 12 months
 - iv. Option 4D: set the chargeable MIC to an estimate of MD based on annual consumption and assumed Load Factor (from BSCP 516)
- Approach applied to **all** P272 customers regardless of any previously agreed MIC, including those who have signed a connection agreement within the last 12 months.
- Enduring MICs after the grace period:
 - i. Customers with a previously agreed MIC will need to confirm whether they want to retain (and pay for) their previously agreed MIC.
 - ii. **Engaged** customers without a previously agreed MIC will agree an enduring MIC (which will not take effect until after the 12 month grace period).
 - iii. For **Non-engaged** customers without a previously agreed MIC, the DNO will need to deem an enduring MIC.

4.7 The fourth option for consideration would utilise any Maximum Demand data that the DNO already holds. Suppliers have provided MD data for a large portion of sites affected by P272. Under option 4 the MIC would be set using this MD data where available for the duration of the grace period. Where a Maximum Demand value is not available:

- The value could be set to zero for month 1, then set at the MD from month 1
- The value could be set to zero; or
- A national average could be used; or
- The annual consumption data could be used with an assumed load factor to create an estimated Maximum Demand value.

At the end of the 12 month period the customer could then agree a MIC value with the DNO or, if the customer does not engage, the DNO would have sufficient data to determine an appropriate value. Under this approach there would be no retrospective credit or rebilling.

5 DCP 248 Working Group Assessment

- 5.1 The DCP 248 Working Group has considered the proposed options and has issued this consultation so that industry parties have the opportunity to comment on all three. As part of the consultation, you are invited to consider the following points.

Is DCP 248 Required?

- 5.2 The Working Group noted that if somebody has been charged incorrectly then the Use of System Charging Statement already contains provision for retrospective corrections, as shown in Appendix 1. It was observed that if P272 impacted customers are allocated a MIC that is not appropriate then it could be questioned whether this could be classed as “incorrect” and back dated in accordance with the Use of System Charging statement. If this was permitted then the protection for these P272 impacted customers is already in place and DCP 248 may not be required. Although, it could be argued that the MICs that are being proposed by networks, even if they are being deemed, are not incorrect and therefore the protection against “incorrect” charges in the Use of System Charging statement does not provide any protection to these customers.
- 5.3 The Working Group also noted that the delay to the P272 deadline has afforded extra time for Suppliers DNOs to engage with customers to agree a capacity value. In light of this delay it could be questioned whether DCP 248 is still required.
- 5.4 It was also noted that when DCP 248 was raised, customers were expected to be incurring much higher excess capacity charges from 1 April 2016 as a result of DCP 161. The deferment of the implementation of DCP 161 to April 2018 means that this is no longer the case.

Customer Engagement

- 5.5 The Working Group noted that Suppliers and DNOs are trying to engage with customers to make them aware that they will be impacted by P272, however, there are likely to be customers who choose not to engage.

- 5.6 It is noted that a benefit of Option 2, Option 3 and Option 4 is that they will provide protection for customers that do not actively engage with their Supplier and/or DNO. Option One will require the customer to identify that they have been paying too much and actively take steps to address this.

Customers that are Currently Migrating

- 5.7 The Working Group noted that there are customers that will be moving measurement class from November 2015. It was suggested that it would be desirable for DNOs to take a flexible approach to these customers, which would allow them to also benefit from the protection offered by DCP 248 before it was formally approved. The Work Group agreed to raise this issue with the DCMF MIG. Following the DCMF MIG meeting it was also noted that Suppliers and DNOs should be working together for the benefit of the end-customer. This could be achieved by parties working together, in line with the Supplier migration plans, to ensure as many affected customers as possible are engaged with the process.

Length of Grace Period

- 5.8 The group agreed that 12 months was a reasonable timescale for all options as it gives customers time to understand any seasonality impacts and is consistent with other industry time frames, e.g. billing codes. As part of this consultation document you are invited to provide your views on this timescale.

Should DCP 248 be end dated?

- 5.9 The Working Group noted that the 12 month time period would be based on the date of the change of Measurement Class, so each individual customer would have their own 12 month period. It was considered whether the DCP 248 solution should have an end date itself.
- 5.10 On the one hand it was suggested that it would not be appropriate to put in an end date and that the protection offered by DCP 248 will naturally fall away once the transition of customers to the new Measurement Class is complete.

- 5.11 Counter to this it was highlighted that if the CP is left open ended then the legal text will remain in the DCUSA unless a future CP is raised. It could also result in the ability to request a backdated change to the MIC enduring for many years to come, when it was only intended to assist customers during the P272 transition period.

As part of this consultation document you are invited to provide your views on this.

Additional Issue for Option 1 - Change in Tenancy

- 5.12 The Working Group considered how DCP 248 Option 1 would work in a situation where there is a change in tenancy. It was noted that the customer who is the customer at the time of the P272 migration can make a choice as to whether they wish to change their MIC.
- 5.13 It was suggested that if a new customer moves in then they are in a business as usual situation and if they do not sign a new connection agreement then they will move on to the National Terms of Connection. The new tenant will be subject to the previous MIC and will have the opportunity to vary it, but this variation should not be back dated, as the new customer is not impacted by P272 and thus is not entitled to protection from it. As an example, the Working Group considered the situation where the customer could be choosing from two properties – one that has been HH for years and another that has been HH only a few months because of P272 – there is no difference between these properties in terms of the situation the new customer is in and thus it would not be appropriate to back date the MIC for the P272 property.
- 5.14 It was suggested that the protection offered by DCP 248 Option 1 should only apply for customers impacted by P272 so long as they are the customer (i.e. occupying the property). If the customer moves out of the property within the 12 month window, they cannot ask for a retrospective change to the MIC once they have left the property, as this would require a connection agreement to be entered into by a person who is no longer a customer.
- 5.15 It was also noted that if a customer requests a change in MIC very shortly before they move out (e.g. the day before) it may not be possible for a revised connection agreement

to be put in place in time. The Working group noted that to address this, the DCP 248 legal text needs to be very clear that they must be the current customer at the time the agreement is put in place for DCP 248 to apply.

Additional Issue for Option 1 - Materiality Threshold

- 5.16 To understand the risks highlighted in the DCP 248 form (see 3.1 above) the working group looked at analysis which was based on a large sample of sites affected by P272. Table one below shows the potential effect of the MICs currently being proposed for customers affected by P272.
- 5.17 The analysis splits customers into two groups – those for which the DNO currently proposes to use a MIC which it believes has been agreed historically (Historic MIC customers) and those for which the DNO proposes to apply some form of default MIC because it does not hold a historically agreed MIC value.
- 5.18 The table provides the weighted average MIC, MD and % difference between the two, as well as the ranges of these values across the DNOs (note that the min:max ranges may represent different DNOs for each variable).

Table 1: Potential materiality of inappropriate capacity charges.

	No. of customers	Average MIC	Average MD	MIC vs MD	£/cust/month
All Customers (Historic & Default MIC)	69,328	78	48	62%	£32
Range of DNO average values		56 - 104	39 - 56	0% - 111%	£0 - £75
Historic MIC customers	34,385	100	48	107%	£56
Range of DNO average values		78 - 132	40 - 53	68% - 226%	£33 - £114
Default MIC customers	34,943	56	48	17%	£8
Range of DNO average values		46 - 71	39 - 56	0% - 60%	£0 - £29

- 5.19 The analysis shows that whilst customers are split approximately 50:50 into the two categories ('Historic MIC' versus 'Default MIC') and there is no difference in the average maximum demand of both sets of customers (c. 48 kVA) there is a significant difference in the proposed MICs for the two customer groups. Those for whom the DNO proposes to use a Historic MIC are, on average, being assigned a MIC of 100kVA, which is 107% higher than their average maximum demand, whilst those being assigned a default MIC are, on average, receiving a MIC of 56kVA, 17% higher than their average maximum demand.
- 5.20 The working group consider that table one above clearly demonstrates that the risk identified in the DCP 248 form that customers could be subject to standard capacity charges for a MIC which is well in excess of their requirements is real and material. On average those customers with a historic MIC are estimated to pay £56/month more in capacity charges compared to a situation where the MIC is aligned to their demand requirements (with the maximum figure across the DNOs estimates at £114/month).
- 5.21 The working group considered whether a materiality threshold should apply to the protection offered by Option 1. In order to assess this the following analysis was considered which looks at the cumulative distribution of customers for whom the average additional capacity charge per month is greater than specified intervals.
- 5.22 The table shows, for example, that 20% of customers are likely to be subject to capacity charges which are less than £5/month higher than they would be if the MIC was exactly aligned with their maximum demand, whilst 43% of customers are likely to be subject to capacity charges which are less than £15/month higher than they would be if the MIC was exactly aligned with their maximum demand.

Table 2: Distribution of materiality of additional MIC charge vs MD under current proposed approaches.

Additional MIC charge vs MD (per month)	Count	% of population	Cumulative %
<£1	5,711	8.2%	8%
<£5	8,215	11.9%	20%
<£10	12,695	18.3%	38%
<£15	2,983	4.3%	43%
<£20	0	0.0%	43%
<£30	5,339	7.7%	50%
<£40	11,596	16.7%	67%
<£50	1,328	1.9%	69%
<£60	12,460	18.0%	87%
<£70	0	0.0%	87%
<£80	7,112	10.3%	97%
<£90	1,534	2.2%	99%
<£100	0	0.0%	99%
<£110	0	0.0%	99%
<£120	355	0.5%	100%

5.23 The Working Group noted that if a customer requests a revised back dated MIC and the credit rebill is less than the cost of processing the invoice then it is questionable whether it should be done.

5.24 As part of this consultation the Working Group is seeking views on whether there should be a materiality threshold under option 1.

Additional Issue - Technical and Resource Constraints

5.25 The Working Group noted that validation systems may not be designed to enable retrospective adjustments of this nature up to 12 months or more in to the past.

5.26 It was also noted that there may be resource constraints if current processes require manual intervention. For instance, those customers that wish to change their MIC will require a site specific connection agreement. If say 20,000 customers requested a new connection agreement over a very short period of time then there may not be sufficient resource to facilitate this.

- 5.27 As part of this consultation, respondents are invited to inform the Working Group of any constraints they may have that would impact on the ability to implement DCP 248 and whether this differs as between the suggested options.

6 Assessment against the DCUSA Objectives

- 6.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better meets the DCUSA Objectives. There are five General DCUSA Objectives and five Charging Objectives. The full list of objectives is documented in the CP form provided as Attachment 2.
- 6.2 The Working Group has assessed the four proposed options against the DCUSA objectives and the Working Group members agree that the following DCUSA Objective are better facilitated by each of these options.

Charging Objective Two - that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences).

- 6.3 All of the options under consideration for this change will ensure that DNOs are ultimately applying a common approach when dealing with customers affected by P272 when they seek to actively agree an enduring MIC.

Charging Objective Three - that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business.

- 6.4 This change will allow time for customers affected by P272 to actively engage with the DNO and agree a MIC which is appropriate for their requirements and hence the costs they impose on the network. This is an improvement compared to a situation where MICs

for customers are set using potentially out of date connection agreements or default values.

Charging Objective Four - that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business.

- 6.5 This change will ensure that all DNOs are applying a common approach when dealing with customers affected by P272 when they seek to actively agree an enduring MIC.

General Objective Two - The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity

- 6.6 All of the options under consideration for this change will ensure that DNOs are ultimately applying a common approach when dealing with customers affected by P272 when they seek to actively agree an enduring MIC.

7 DCP 248 Legal Drafting

- 7.1 The DCP 248 legal text for each of the four options is provided as Attachment 3.
- 7.2 The legal text introduces a definition of P272 to the DCUSA

8 Implementation Date

- 8.1 The proposed implementation date for DCP 248 is as soon as possible following consent. This may require an extra-ordinary release.

9 DCP 248 – Consultation Questions

- 9.1 The Working Group is seeking views on the following consultation questions:
1. Do you understand the intent of DCP 248?
 2. Are you supportive of the principles of DCP 248?
 3. What is your preferred option (please provide your rationale):

- Option 1 - A 12 month grace period to allow retrospective reductions to MIC
 - Option 2 – A 12 month grace period. Setting the MIC to zero for the first month, after which the first month’s maximum demand data could be used
 - Option 3 – A 12 month grace period. Setting MIC to zero for the duration of the grace period.
 - Option 4 – A 12 month grace period setting the MIC using any Maximum Demand data already available or estimated where no Maximum Demand data is available.
4. Which option do you consider provides the most/least level of protection against inappropriate capacity charges for customers affected by P272?
 5. Do you have any comments on the proposed legal text for each of the options?
 6. Do you consider that each of the four proposals better facilitates the DCUSA Objectives? Please give supporting reasons.
 7. It is noted that P272 deadline has been extended which gives more time to liaise with customers to agree a MIC but the task is still a significant one. In light of the delay in P272, do you that agree that the protection of DCP 248 is still required?
 8. Do you think that the current protection offered by the UOS charging statements with regards to incorrect charges offers the level of protection sought by this Change Proposal?
 9. Are you supportive of the proposed implementation date - as soon as possible following Authority consent which may require an extra-ordinary release?
 10. In the DCP 248 legal text the protection offered by all of the options is limited to 12 months of a change in Measurement Class. Do you agree with this timescale? If not, please provide your rationale.
 11. Do you believe that there should be an end date within the DCP 248 legal text and, if yes, what date should it be?
 12. With regards to Option 1, do you agree with the Working Group’s view that customers that were not occupying the property at the time of the P272 migration are not entitled to back dating of their MIC?
 13. With regards to Option 1, if a P272 impacted customer requests a change in MIC shortly before moving out of a property, how best do you see managing this process once the customer has left the property? And how significant an issue do you believe this is?

14. With regards to each option, are there any technical or resource constraints that need to be taken into consideration (and is there an associated cost)?
 15. With regards to each option, are there any other constraints, for instance the need for DNOs to potentially agree connection agreements with a large proportion of the customers affected by P272 that you are concerned about?
 16. With regards to each option, do you consider there to be a concern in relation to a customer being able to identify the need to amend their maximum import capacity with DNOs? Please provide supporting reasons.
 17. With regards to Option 1, do you believe that there should be a materiality threshold such that there will not be a credit rebill if it is less than a certain value?
 18. With regards to Option 1, if there were to be a materiality threshold, what do you believe it should be set at?
 19. Are there any alternative solutions or matters that should be considered by the Working Group?
- 9.2 Responses should be submitted using Attachment 1 to dcusa@electralink.co.uk no later than **4 December 2015**.
- 9.3 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

10 NEXT STEPS

- 10.1 Responses to the Consultation will be reviewed by the DCP 248 Working Group and used to aid the group in progressing the Change Proposal.
- 10.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA helpdesk by email to dcusa@electralink.co.uk or telephone 020 7432 2842.

APPENDICES

- Appendix A - Extract from Use of System Charging Statement

ATTACHMENTS

- Attachment 1- Response Form
- Attachment 2– CP Form

- Attachment 3 –DCP 248 Legal Text – with options
- Attachment 4 – DCP 248 option illustrations

Appendix A – Extract from Use of System Charging Statement

Incorrectly allocated charges

2.54. It is our responsibility to apply the correct charges to each MPAN/MSID. The allocation of charges is based on the voltage of connection and metering information. We are responsible for deciding the voltage of connection while the Supplier determines and provides the metering information.

2.55. Generally the voltage of connection is determined by where the metering is located and where responsibility for the electrical equipment transfers from us to the connected Customer. This is normally established when the MPAN/MSID is created and will include information about whether the MPAN/MSID is for import or export purposes. Where an MPAN/MSID is used for export purposes the type of generation (intermittent or non-intermittent) will also be determined.

2.56. The Supplier provides us with metering information which enables us to allocate charges where there is more than one charge per voltage level. This metering data is likely to change over time if, for example, a Supplier changes from a two rate meter to a single rate meter. When this happens we will change the allocation of charges accordingly.

2.57. Where it has been identified that a charge is likely to be incorrectly allocated due to the wrong voltage of connection (or import/export details) then a correction request must be made to us. Requests from persons other than the current Supplier must be accompanied by a Letter of Authority from the Customer; the existing Supplier must also be informed. Any request must be supported by an explanation of why it is believed that the current charge is wrongly applied along with supporting information including, where appropriate, photographs of metering positions or system diagrams. Any request to correct the current charge that also includes a request to backdate the correction must include justification as to why it is considered appropriate to backdate the change.

2.58. If it has been identified that a charge has been incorrectly allocated due to the metering data, then a correction request should be made to the Supplier.

2.59. Where we agree that an MPAN/MSID has been assigned to the wrong voltage level then we will correct it by allocating the correct set of charges for that voltage level. Any adjustment for incorrectly applied charges will be as follows:

- Any credit or additional charge will be issued to the Suppliers who were effective during the period of the change.
- The correction will be applied from the date of the request back to the date of the incorrect allocation or up to the maximum period specified by the Limitation Act (1980) in England and Wales which covers a six year period, whichever is the shorter.

2.60. Should we reject the request a justification will be provided to the requesting Party.

2.61. We shall not unreasonably withhold or delay any agreement to correct the charges applied and would expect to reach agreement within three months from the date of request.