

DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to dcusa@electralink.co.uk for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

PART A – Mandatory for all Change Proposals

PART B – Mandatory for Non Charging Methodologies Proposals

PART C – Mandatory for Charging Methodologies Proposals

PART D – Guidance Notes

PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard
CP Number	DCP 241
Date of submission	12/05/2015
Attachments	
Originator Details	
Company Name	Electricity North West
Originator Name	Andrew Pace
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	Andrew.pace@enwl.co.uk
Phone Number	0843 311 4323
Change Proposal Details	
CP Title	Provision of a single charging and cost information model
Impacted parties	Generators, DNOs, IDNOs and Suppliers
Impacted Clause(s)	Schedule 15, 16 & 20
Part 1 / Part 2 Matter	Part 1
Provide your rationale why you consider this change is a Part 1 or Part 2 Matter	This change proposal amends the charging models published by DNOs and is therefore a Part 1 matter under clause 9.4.2 as it is likely to have a significant impact on competition in one or more of: (A) the generation of electricity; (B) the distribution of electricity; (C) the supply of electricity; and (D) any commercial activities connected with the generation, distribution or supply of electricity;
Related Change Proposals	n/a
Change Proposal Intent	
To merge the Common Distribution Charging Methodology (CDCM) (Schedule 16), cost information table (Schedule 15) and the Annual Review Pack (ARP) (Schedule 20) into a single model to allow DNOs to use this model for setting charges and to provide quarterly updates of the allowed revenue and tariffs to stakeholders.	
Business Justification and Market Benefits	
DNOs currently publish 2 models when setting charges. The first is the CDCM which is the model used to set Distribution Use of System (DUoS) charges for a one year period. The second is the ARP which	

contains the CDCM model and is used to provide illustrative tariffs for a 5 year period. The ARP also contains additional useful information such as the timebands used for pricing and a copy of the cost information table that DNOs publish each quarter.

This change proposes to remove the obligation on DNOs to publish the CDCM model in Schedule 16, the quarterly cost information table as set down in Schedule 15 and the forecast of future charges as part of the ARP in Schedule 20. At the current time it is considered that one approach could be to utilise an updated version of the existing ARP which would become the model used by DNOs to set charges and contain the final prices that would apply for the upcoming year and the following year (on the implementation of DCP178). This version of the ARP would also contain illustrative charges for a further 3 years and be issued each quarter with an updated breakdown of the allowed revenue and the illustrative tariffs that result. The ARP will also incorporate any approved changes to the methodology in subsequent years, so that the tariffs reflect the methodology that will be used to set charges in the relevant charging year. The model should also continue to hold historical data.

In addition, the current ARP should be reviewed to check it is providing the information required in the most transparent manner. Particular areas that should be looked at include:

- Removal of the matrix of applicability. This data item is a legacy of the development of the CDCM and the data could be entered in a more simplistic manner
- Schedule 15 needs to be amended to make it consistent with the new licence conditions under RIIO

The summary information that is currently contained within the CDCM model and how it could be made easily accessible in the ARP.

Proposed Solution and Draft Legal Text

Working Group to amend the legal text

Proposed Implementation Date

Implementation in the next release of DCUSA following acceptance

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

BSC	<input type="checkbox"/>
CUSC	<input type="checkbox"/>
Grid Code	<input type="checkbox"/>
MRA	<input type="checkbox"/>
SEC	<input type="checkbox"/>
Other	<input type="checkbox"/>
None	<input checked="" type="checkbox"/>

If other please specify

Consideration of Wider Industry Impacts

N/A

Environmental Impact
None
Confidentiality
N/A

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives
<p><u>General Objectives:</u></p> <p>Please tick the relevant boxes. [See Guidance Note 9]</p> <p><input type="checkbox"/> 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks</p> <p><input checked="" type="checkbox"/> 2 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</p> <p><input checked="" type="checkbox"/> 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences</p> <p><input checked="" type="checkbox"/> 4 The promotion of efficiency in the implementation and administration of this Agreement</p> <p><input type="checkbox"/> 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.</p>
Detailed rationale for better facilitation of the DCUSA Objectives identified above
<p>This change proposal better meets general objectives 2, 3 and 4 as it consolidates the information provided to stakeholders into one model which is published on a regular basis. This will improve the efficiency of DNOs who will only need to populate and maintain one model. It will also aid transparency by making it easier for stakeholders to view the data as there will only be one source of tariffs. The change proposal will also aid the open governance process as only one model will need to be updated when changes to the DCUSA are proposed.</p>

PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Charging Objectives

Please tick the relevant boxes. [See Guidance Note 11]

Charging Objectives:

- ☒ 1 that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence
- ☒ 2 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)
- ☐ 3 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
- ☐ 4 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
- ☐ 5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

General Objectives:

- ☐ 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- ☒ 2 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
- ☒ 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- ☒ 4 The promotion of efficiency in the implementation and administration of this Agreement
- ☐ 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Detailed rationale for better facilitation of the DCUSA Objectives identified above

This change proposal better meets general objectives 2, 3 and 4 and charging objectives 1 and 2 as it consolidates the information provided to stakeholders into one model which is published on a regular basis. This will improve the efficiency of DNOs who will only need to populate and maintain one model. It will also aid transparency by making it easier for stakeholders to view the data as there will only be one source of tariffs. The change proposal will also aid the open governance process as only one model will need to be updated when changes to DCUSA are proposed.

Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation

Discussed at MIG

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. www.dcusa.co.uk

Ref	Data Field	Guidance
1	Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	Part 1 / Part 2 Matter	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
3	Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	Proposed Solution and Draft Legal Text	<p>Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions. The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting) which enacts the intent of the solution. The legal text will be reviewed by the Working Group (if convened) and is likely to be subject to legal review as part of its progress through the DCUSA change process.</p>
5	Proposed Implementation Date	<p>The Change can be implemented in February, June, and November of each year or as an extraordinary release. For Charging Methodology CPs, select an implementation date which takes in to consideration the deadlines for publishing indicative tariffs.</p> <ul style="list-style-type: none"> • Submission of Company indicative tariffs is 31 December of each year. • Final tariffs are published on 1 April of each year. <p>Please select an implementation date that provides sufficient time for the change to be incorporated into the appropriate charging model and the DCUSA in order to be reflected within the December indicative tariffs.</p> <p>Contact the DCUSA helpdesk for any further information on the releases dcusa@electralink.co.uk.</p>
6	Consideration of Wider	Indicate whether this Change Proposal will be impacted by or

	Industry Impacts	have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.
7	Environmental Impact	Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see Ofgem Guidance .
8	Confidentiality	Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem.
9	DCUSA General Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
10	Detailed Rationale for DCUSA Objectives	Provide detailed supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.
11	DCUSA Charging Objectives	Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.