



DCUSA Change Report

DCP 236 - Variation of Charges Notice Periods – Embedded Networks

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA and details DCP 236 'Variation of Charges Notice Periods – Embedded Networks'.
- 1.2 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.
- 1.3 Parties are invited to consider the proposed amendments (Attachment 2) and submit their votes using Attachment 1 to dcusa@electralink.co.uk no later than **15 June 2015**.

2 BACKGROUND

- 2.1 DCP 236 was raised by Southern Electric Power Distribution and explains within the intent that the approval of DCP 178¹ introduces into Clause 19.1 notice periods for the variation of charges which are fixed and specific for Distribution Network Operator (DNO) Parties and Independent Distribution Network Operator (IDNO) Parties. It is further explained that a DNO which operates 'out of area' embedded distribution networks cannot comply with the specified periods as, to operate under Portfolio Billing, it requires additional time to obtain and process the relevant 'host' distributor charges before it can set embedded network charges.
- 2.2 DCP 236 therefore seeks to amend Clause 19.1 to separately specify notice periods applicable to DNOs in relation to Distribution Services Area charges and 'out of area' embedded network charges.
- 2.3 The notice periods for such DNO embedded networks proposed by this CP are identical to the periods applicable to IDNO charges approved under DCP178.

3 PROPOSED LEGAL TEXT

- 3.1 The DCP 236 proposed legal drafting has been reviewed by the DCUSA legal advisors and is provided as Attachment 2.
- 3.2 The legal text amends DCUSA Clause 19.1 and will enable affected DNOs to operate within a realistic and appropriate notice period, and maintain orderly market arrangements.

¹ Notification Period for Change to Use of System Charges

4 EVALUATION AGAINST THE DCUSA OBJECTIVES

4.1 DCP 236 has been assessed against the DCUSA General Objectives:

- Objective 1² – No Impact
- Objective 2³ – Better Facilitated
- Objective 3⁴ – Better Facilitated
- Objective 4⁵ – No Impact
- Objective 5⁶ – No Impact

4.2 The Proposer explains that DCUSA General Objective 2 is better facilitated as DCP 236 would apply notice periods which enable DNOs acting out of area (an established aspect of competition in the distribution of electricity) to face reasonable notice obligations, which are consistent between those DCUSA Parties who set charges under Portfolio Billing.

4.3 The Proposer further explains that General Objective 3 is better facilitated as the notice obligations of Clause 19.1, as revised by DCP 178, cannot be discharged by a DNO which operates embedded networks. The amendments proposed by DCP 236 would enable the efficient discharge of notice obligations by utilising the most appropriate and consistent time period.

5 IMPACT ON GREENHOUSE GAS OMISSIONS

5.1 It is not believed that there is any material impact on greenhouse gas emissions from the implementation of this Change Proposal.

6 IMPLEMENTATION

6.1 DCP 236 is classified as a Part 1 matter in accordance with Clause 9.4.5 of the DCUSA and

² The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System

³ 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

⁴ The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.

⁵ The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it

⁶ 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.

therefore will require Authority consent.

- 6.2 The proposed implementation date for DCP 236 is 5 November 2015. This aligns with the implementation date of DCP 178.

7 PANEL RECOMMENDATION

- 7.1 The DCUSA Panel approved the DCP 236 Change Report at its meeting on 20 May 2015. The timetable for the progression of the CP is set out below:

Activity	Date
Change Report approved by DCUSA Panel	20 May 2015
Change Report issued for voting	22 May 2015
Voting closes	15 June 2015
Change Declaration	17 June 2015
Authority Decision	22 July 2015
Implementation Date	5 November 2015

- 7.2 Parties are invited to vote on DCP 236 using the voting form provided as Attachment 1. All votes should be submitted by **15 June 2015**.

8 ATTACHMENTS:

- Attachment 1 – DCP 236 Voting Form
- Attachment 2 – DCP 236 Proposed Legal Text
- Attachment 3 – DCP 236 Change Proposal