

**DCUSA DCP 232 Consultation Responses – Collated Comments**

<b>Company</b>	<b>Confidential/Anonymous</b>	<b>1. Do you understand the intent of the DCP 232 change?</b>	<b>Working Group Comments</b>
Working Group General Response		The Working Group noted that all respondents understood the intent of the change.	
	Anonymous	Yes. It aims to update the legal text within DCUSA schedules 17 and 18 to allow for the change from the DPCR5 licence to an ED1 license, specifically with regards to the treatment of generation revenue.	Noted.
Northern Powergrid	Non-confidential	Yes we understand the intent of DCP 232 to update the GP and GL terms so they are in line with RII0-ED1 Distribution licence.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes	Noted.
SP Distribution	Non-confidential	Yes we understand the intent of DCP 232.	Noted.

tion / SP Manweb	ial		
UK Power Network s	Non- confident ial	Yes	Noted.
WPD	Non- confident ial	Yes	Noted.

<b>Compa ny</b>	<b>Confide ntial/ Anonym ous</b>	<b>2. Are you supportive of the principles of the DCP 232 change?</b>	<b>Working Group Comments</b>
Working Group General Response		The Working Group noted that all respondents were supportive of the principles of the change.	
	Anonym ous	Yes.	Noted.
Norther n Powergr id	Non- confident ial	Yes we are supportive of the principles of the change.	Noted.
Souther n Electric Power Distribu tion plc	Non- confident ial	Yes	Noted.

and Scottish Hydro Electric Power Distribu tion plc			
SP Distribu tion / SP Manweb	Non- confident ial	Yes we are supportive of the principles of DCP 232.	
UK Power Network s	Non- confident ial	Yes	Noted.
WPD	Non- confident ial	Yes	Noted.

<b>Compa ny</b>	<b>Confide ntial/ Anonym ous</b>	<b>3. Do you have any comments on the GP term as set out in the proposed legal text?</b>	<b>Working Group Comments</b>
Working Group General Response		The Working Group noted that there were no material comments on the proposed legal text.	
	Anonym ous	No.	Noted.
Norther	Non-	No.	Noted.

n Powergr id	confident ial		
Souther n Electric Power Distribu tion plc and Scottish Hydro Electric Power Distribu tion plc	Non- confident ial	No	Noted.
SP Distribu tion / SP Manweb	Non- confident ial	No comments on the GP term as set out in the proposed legal text.	Noted.
UK Power Network s	Non- confident ial	We are comfortable with the legal text as drafted for the GP term.	Noted.
WPD	Non- confident ial	No	Noted.

Compa ny	Confide ntial/	4. This change proposes to amend the references to the GL term in Schedule 17 and	Working Group Comments
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	<b>Anonym ous</b>	<b>Schedule 18 by utilising the approach set out in either Option A or Option B of the proposed legal text. Do you have a clear preference for Option A or Option B?</b>	
Working Group General Response		The Working Group noted that the majority of respondents preferred Option B.	
	Anonym ous	Option B	Noted.
Northern Powergrid	Non- confident ial	We prefer option A as it is more closely aligned with the Licence than option B. Option B assumes that there is no incentive revenue in the charging year, which, as the DPCR5 values are trued up, may well not be the case.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non- confident ial	Option B appears the more logical choice as the term no longer exists in the Licence post 31 <sup>st</sup> March 2015.	Noted.
SP Distribution / SP Manweb	Non- confident ial	Our preference is Option B.	Noted.

UK Power Networks	Non-confidential	Option B would be our preferred approach, as we do not believe that there is any material benefit in taking forward option A.	Noted.
WPD	Non-confidential	We have a preference for Option B which is set the GL equal to zero. The reason for this is that the majority of generators in WPDs networks are post 2010 with a large proportion connecting in the last couple of years. If the GL was not equal to zero then the majority of generators would be paying for an incentive generated by a minority which is unfair.	Noted.

Company	Confidential/Anonymous	5. Do you have any other comments on the proposed legal text?	Working Group Comments
	Anonymous	No	Noted.
Northern Powergrid	Non-confidential	No.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro	Non-confidential	No	Noted.

Electric Power Distribution plc			
SP Distribution / SP Manweb	Non-confidential	No comments.	Noted.
UK Power Networks	Non-confidential	We would welcome a change to the EDCM model to remove the relevant cells once a clear way forward on this change is agreed, it minimises the risk of retaining input cells which will not be used beyond a defined date.	Noted. The Working Group agreed that following the revision of the legal text, it is clear that there is a cell in the EDCM model that is no longer required. The Working Group considered that due to the urgency of implementing this change for charge setting that a separate housekeeping change to the model would need to be raised at a later date.
WPD	Non-confidential	No	Noted.

Company	Confidential/Anonymous	<b>6. Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments.</b> <ol style="list-style-type: none"> <li><b>1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.</b></li> <li><b>2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such</b></li> </ol>	Working Group Comments
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		<p><b>competition in the sale, distribution and purchase of electricity.</b></p> <p><b>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</b></p> <p><b>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</b></p> <p><b>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.</b></p>	
Working Group General Response		The Working Group noted that all respondents considered that General Objective three is best facilitated by this change.	
	Anonym ous	Objective 3. By ensuring that DNO parties are aligned with the methodology and wording of the RII0 ED1 licence.	Noted.
Northern Powergrid	Non- confident ial	The CP better facilitates general objective three as it brings the EDCM into line with the RII0-ED1 Distribution licence.	Noted.
Southern Electric Power Distribu tion plc and	Non- confident ial	We agree with the Change Proposal that General Objective 3 is better facilitated by the implementation of DCP232.	Noted.



Scottish Hydro Electric Power Distribution plc			
SP Distribution / SP Manweb	Non-confidential	We agree with the Working Group that this Change Proposal better meets General Objective Three.	Noted.
UK Power Networks	Non-confidential	We agree with the Working Group that general objective three is better facilitated by this change by ensuring consistency between the licence and DCUSA.	Noted.
WPD	Non-confidential	1	Noted. The Western Power Distribution respondent clarified that this response should state general objective three.

Company	Confidential/Anonymous	<p><b>7. Which DCUSA Charging Objectives does the CP better facilitate? Please provide supporting comments.</b></p> <p><b>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.</b></p> <p><b>2. that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity</b></p>	Working Group Comments
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		<p>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).</p> <p>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.</p> <p>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.</p> <p>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.</p>	
Working Group General Response		The Working Group noted that all respondents considered that Charging Objective 1 is better facilitated by this change.	
	Anonym ous	Objective 1. By ensuring that DNO parties are aligned with the methodology and wording of the RIIO ED1 licence.	Noted.

Northern Powergrid	Non-confidential	The CP better facilitates charging objective one as it brings the EDCM into line with the RII0-ED1 Distribution licence.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We agree with the Change Proposal that Charging Objective 1 is better facilitated by the implementation of DCP232.	Noted.
SP Distribution / SP Manweb	Non-confidential	We agree with the Working Group that this Change Proposal better meets Charging Objective One.	Noted.
UK Power Networks	Non-confidential	We agree with the Working Group that charging objective one is better facilitated by this change by ensuring consistency between the licence and DCUSA.	Noted.
WPD	Non-confidential	3	Noted. The Western Power Distribution respondent clarified that this response should state charging objective one.

Company	Confidence	8. Are you aware of any wider industry	Working Group Comments
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ny	ntial/ Anonym ous	developments that may impact upon or be impacted by this CP?	
	Anonym ous	No.	Noted.
Norther n Powergr id	Non- confident ial	No, subject to the outcome of the ECDM review.	Noted.
Souther n Electric Power Distribu tion plc and Scottish Hydro Electric Power Distribu tion plc	Non- confident ial	N/A	
SP Distribu tion / SP Manweb	Non- confident ial	We are not aware of any wider industry developments that may impact upon or be impacted by this CP.	Noted.
UK Power Network s	Non- confident ial	No	Noted.

WPD	Non-confidential	No	Noted.
Company	Confidential/Anonymous	9. Do you have a preference on the date that DCP 232 is implemented into the DCUSA?	Working Group Comments
Working Group General Response		The Working Group noted that the majority of respondents requested for this change to be implemented on the 01 April 2016.	
	Anonymous	No.	Noted.
Northern Powergrid	Non-confidential	DCP 232 should be implemented into the first available release of DCUSA following approval, for use in charge setting from 01/04/2016.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	DCP178 comes into effect on 5 <sup>th</sup> November 2015, whereby DNOs will set final charges for 2016/17 and 2017/18. DCP232 should be implemented in time for setting these charges.	Noted.
SP	Non-	We agree with the suggested implementation date of 1	Noted.

Distribution / SP Manweb	confidential	April 2016.	
UK Power Networks	Non-confidential	We prefer this to be incorporated into DCUSA to take effect from April 2016, so that clarity is improved as soon as possible.	Noted.
WPD	Non-confidential	In time for April 2016 charge setting	Noted.

Company	Confidential/Anonymous	10. Are there any alternative solutions or matters that should be considered by the Working Group?	Working Group Comments
GDF SUEZ ENERGY UK	Anonymous	No.	Noted.
Northern Powergrid	Non-confidential	No.	Noted.
Southern Electric Power Distribution plc	Non-confidential	No – Options A & B sufficiently cover the appropriate solutions.	Noted.

and Scottish Hydro Electric Power Distribu tion plc			
SP Distribu tion / SP Manweb	Non- confident ial	None	Noted.
UK Power Network s	Non- confident ial	Not that we are aware of.	Noted.
WPD	Non- confident ial	No	Noted.