

**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>
	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 / SP Manweb	Non-confidential	Yes we understand the intent of DCP 232.	Noted.

UK Power Networks	Non-confidential	Yes	Noted.
WPD	Non-confidential	Yes	Noted.

<b>Company</b>	<b>Confidential/Anonymous</b>	<b>2. Are you supportive of the principles of the DCP 232 change?</b>	<b>Working Group Comments</b>
	Anonymous	Yes.	Noted.
Northern Powergrid	Non-confidential	Yes we are supportive of the principles of the change.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes	Noted.

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>
	Anonym ous	No.	Noted.
Norther n Powergr id	Non- confident ial	No.	Noted.
Souther n Electric Power Distribu tion plc and	Non- confident ial	No	Noted.

Scottish Hydro Electric Power Distribution plc			
SP Distribution / SP Manweb	Non-confidential	No comments on the GP term as set out in the proposed legal text.	Noted.
UK Power Networks	Non-confidential	We are comfortable with the legal text as drafted for the GP term.	Noted.
WPD	Non-confidential	No	Noted.

<b>Company</b>	<b>Confidential/Anonymous</b>	<b>4. This change proposes to amend the references to the GL term in Schedule 17 and 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>	<b>Working Group Comments</b>
	Anonymous	Option B	Noted. The Working Group noted that the majority of respondents preferred Option B.
Northern Powergr	Non-confidential	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	Noted.

id		DPCR5 values are trued up, may well not be the case.	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	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-confidential	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 Electric Power Distribution plc	Non-confidential	No	Noted.
SP Distribution / SP Manweb	Non-confidential	No comments.	Noted.
UK Power Network	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	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

s		input cells which will not be used beyond a defined date.	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	6. Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments.	Working Group Comments
		<ol style="list-style-type: none"> <li>1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, coordinated, and economical Distribution System.</li> <li>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 competition in the sale, distribution and purchase of electricity.</li> <li>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</li> <li>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</li> <li>5. compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission</li> </ol>	

		<b>and/or the Agency for the Co-operation of Energy Regulators.</b>	
	Anonym ous	Objective 3. By ensuring that DNO parties are aligned with the methodology and wording of the RII0 ED1 licence.	Noted. The Working Group noted that all respondents considered that General Objective three is best facilitated by this change.
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 Scottish Hydro Electric Power Distribu tion plc	Non- confident ial	We agree with the Change Proposal that General Objective 3 is better facilitated by the implementation of DCP232.	Noted.
SP Distribu tion / SP Manweb	Non- confident ial	We agree with the Working Group that this Change Proposal better meets General Objective Three.	Noted.
UK Power Network s	Non- confident ial	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 clarified that this response should state general objective three.
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<b>Company</b>	<b>Confidential/Anonymous</b>	<p><b>7. Which DCUSA Charging Objectives does the CP better facilitate? Please provide supporting comments.</b></p> <ol style="list-style-type: none"> <li><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></li> <li><b>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).</b></li> <li><b>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.</b></li> <li><b>4. that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably</b></li> </ol>	<p><b>Working Group Comments</b></p>
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		<p><b>practicable, properly take account of developments in each DNO Party's Distribution Business.</b></p> <p><b>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.</b></p>	
	Anonym ous	Objective 1. By ensuring that DNO parties are aligned with the methodology and wording of the RII0 ED1 licence.	Noted. The Working Group noted that all respondents considered that Charging Objective 1 is better facilitated by this change.
Northern Powergrid	Non- confident ial	The CP better facilitates charging objective one as it brings the EDCM into line with the RII0-ED1 Distribution licence.	Noted.
Southern Electric Power Distribu tion plc and Scottish Hydro Electric Power Distribu tion plc	Non- confident ial	We agree with the Change Proposal that Charging Objective 1 is better facilitated by the implementation of DCP232.	Noted.
SP	Non-	We agree with the Working Group that this Change	Noted.

Distribution / SP Manweb	confidential	Proposal better meets Charging Objective One.	
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 clarified that this response should state charging objective one.

Company	Confidential/Anonymous	8. Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
	Anonymous	No.	Noted.
Northern Powergrid	Non-confidential	No, subject to the outcome of the ECDM review.	Noted.
Southern Electric Power Distribution plc and Scottish	Non-confidential	N/A	

Hydro Electric Power Distribution plc			
SP Distribution / SP Manweb	Non-confidential	We are not aware of any wider industry developments that may impact upon or be impacted by this CP.	Noted.
UK Power Networks	Non-confidential	No	Noted.
WPD	Non-confidential	No	Noted.

<b>Company</b>	<b>Confidential/Anonymous</b>	<b>9. Do you have a preference on the date that DCP 232 is implemented into the DCUSA?</b>	<b>Working Group Comments</b>
	Anonymous	No.	Noted. The Working Group noted that the majority of respondents requested for this change to be implemented on the 01 April 2016.
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 Distribution / SP Manweb	Non-confidential	We agree with the suggested implementation date of 1 April 2016.	Noted.
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	Anonym	No.	Noted.

SUEZ ENERGY UK	ous		
Northern Powergrid	Non-confidential	No.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	No – Options A & B sufficiently cover the appropriate solutions.	Noted.
SP Distribution / SP Manweb	Non-confidential	None	Noted.
UK Power Networks	Non-confidential	Not that we are aware of.	Noted.
WPD	Non-confidential	No	Noted.

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