

## 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](mailto: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

<b>Document Control</b>	
CP Status	Standard
CP Number	DCP 231
Date of submission	28/01/2015
Attachments	[See Guidance Note 1]
<b>Originator Details</b>	
Company Name	The Electricity Network Company
Originator Name	Michael Harding
Category	<del>DG</del> / <del>DNO</del> / IDNO / <del>OTSO</del> / SUPPLIER / OTHER
Email Address	Mike.harding@bu-uk.co.uk
Phone Number	07920 238095
<b>Change Proposal Details</b>	
CP Title	Extended PCDM Under the EDCM
Impacted parties	DNOs and IDNOs
Impacted Clause(s)	Schedule 17 and Schedule 18
Part 1 / Part 2 Matter	Part 1
Provide your rationale why you consider this change is a Part 1 or Part 2 Matter	Although this DCP is in many respects a consequential change to replicate methodology changes brought about by DCP117, it does have a material impact on charges and therefore should be considered as DCP requiring Authority approval
Related Change Proposals	DCP117
<b>Change Proposal Intent</b>	
The intent of this change proposal is to align the changes brought about by DCP117 in respect of the PCDM part of the CDCM with the extended PCDM under the EDCM.	
<b>Business Justification and Market Benefits</b>	
<p>This change proposal therefore replicates the methodology proposed Under DCP 117 for the PCDM component of the EDCM.</p> <p>DCP 117 was raised in December 2011 to address flaws identified with the way '<i>Load related new connections &amp; reinforcement (net of contributions)</i>' were used in the PCDM under the CDCM. At that time the EDCM did not fall within the scope of DCUSA and therefore did not fall under DCUSA governance.</p> <p>The EDCM has since come under DCUSA governance. Feedback from the DCP117 working group was that it would be out of scope for the work group to incorporate changes required to the extended</p>	

PCDM under the EDCM (to replicate the methodology changes proposed under DCP117 for the PCDM).

Should DCP117 not be approved the proposer will consider withdrawing this DCP.

#### **Proposed Solution and Draft Legal Text**

The proposed solution is set out in the change report for DCP117. Indicative Drafting is provided for Schedule 17 and Schedule. However this will need to be reviewed should DCP198 and DCP212 be implemented.

The extended PCDM spreadsheet will need to accommodate the methodology Change

#### **Proposed Implementation Date**

As soon as is reasonable practicable.

#### **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**

Principal impact is on DNOs. Impact analysis on DCP117 suggest that this will have a very small impact on Suppliers

#### **Environmental Impact**

Non Identified

#### **Confidentiality**

None

### **PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS**

#### **DCUSA Objectives**

**General Objectives:**

Please tick the relevant boxes. [See Guidance Note 9]

- ☐ 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**

[See Guidance Note 10]

**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 addresses defects in the Price Control Disaggregation Model used to calculate discount factors applied to upstream DNOs' all the way tariffs in determining the tariffs that should apply to network operators who connect to their distribution system at LV.

The DUoS margin available to a licensed distributor connecting to another distributor operating within its distribution services area is the difference between the upstream distributor's all the way DUoS charges to the end customer and the upstream distributor's DUoS charge to the downstream distributor. If the charge to the downstream distributor is not reflective of the total costs then a margin squeeze may result which could have the effect of restricting, distorting or preventing competition.

As such the change proposal satisfies CDCM objectives 2 and 3 since the current Price Control Disaggregation Model distorts cost reflectivity.

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

No.

This applies the methodology developed under DCP117 for the CDCM to the EDCM. The issue was raised with the DCP 117 working group to explore whether the changes to the EDCM would be incorporated under that DCP. The view from the working group was that a separate DCP be raised

The intent of DCP117 has previously been discussed through MIG and through formal DCP consultations

**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](http://www.dcusa.co.uk)

Ref	Data Field	Guidance
1	<b>Attachments</b>	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	<b>Part 1 / Part 2 Matter</b>	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	<b>Related Change Proposals</b>	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	<b>Proposed Solution and Draft Legal Text</b>	<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	<b>Proposed Implementation Date</b>	<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"> <li>• Submission of Company indicative tariffs is 31 December of each year.</li> <li>• Final tariffs are published on 1 April of each year.</li> </ul> <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 <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a>.</p>
6	<b>Consideration of Wider Industry Impacts</b>	Indicate whether this Change Proposal will be impacted by or 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.
<b>7</b>	<b>Environmental Impact</b>	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 <a href="#">Ofgem Guidance</a> .
<b>8</b>	<b>Confidentiality</b>	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.
<b>9</b>	<b>DCUSA General Objectives</b>	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
<b>10</b>	<b>Detailed Rationale for DCUSA Objectives</b>	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.
<b>11</b>	<b>DCUSA Charging Objectives</b>	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.