

DCUSA WORKING GROUP - TERMS OF REFERENCE – DCP 228

PART A - GENERAL

1 ESTABLISHMENT OF THE GROUP

- 1.1 DCUSA Working Groups are established by the DCUSA Panel in accordance with Clause 7.24 of the DCUSA.

2 SCOPE

- 2.1 Working Groups are established in order to carry out the Definition Procedure in respect of a Change Proposal pursuant to Clause 11.14.

- 2.2 The Working Group is responsible for assisting the DCUSA Panel in the evaluation of DCUSA Proposals by undertaking the following activities:

- Consulting with the Parties, and (where appropriate) with any interested third party, on the proposal.
- Considering and clarifying the likely effects of the proposed variation to the Agreement, and indicating which Party Categories it considers will be affected by the proposed variation.
- Evaluating, developing and refining the proposed variation to the Agreement to the extent that it better facilitates the DCUSA General and CDCM Objectives.
- Evaluating the likely impact of the proposed date for implementation of the variation, and where it considers appropriate, amending this date.
- Considering whether, if the proposed variation were made, the Agreement would better facilitate the achievement of the DCUSA General Objectives than if that variation were not made:
 - The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
 - 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

- The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- The promotion of efficiency in the implementation and administration of this Agreement
- Considering whether, if the proposed variation were made, the Agreement would better facilitate the achievement of the DCUSA CDCM Objectives than if that variation were not made:
 - 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
 - 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)
 - 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
 - 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

3 Annual Review Pack

- 3.1 The Working Group is required to assess whether the Change Proposal has any impact on the Annual Review Pack (ARP) as set out in Clause 35.B2 of the DCUSA and the ARP Template published on the DCUSA website.
- 3.2 Where a consequential change is identified, the Working Group is required to incorporate any necessary changes in the legal text for this Change Proposal.

4 MEMBERSHIP

- 4.1 The Working Group shall comprise of at least five individuals who each have relevant experience and expertise in relation to the subject matter of the Change Proposal and whose backgrounds are broadly representative of the persons likely to be affected by the proposed variation to the Agreement.

5 CHAIRMANSHIP OF MEETINGS

- 5.1 The Working Group Chair will at all times be from a company that is Party and will be appointed by majority vote of attendees at the first DCUSA Working Group meeting.
- 5.2 The Chair's role will be to chair meetings, facilitate discussions and establish a proposed way forward. The Chair shall act in accordance with the DCUSA Working Group Chair Guidelines.
- 5.3 If the Chair is not present after the time for which a Working Group Meeting has been convened, the Working Group Members present may appoint one of their number to chair the meeting.

6 DUTIES OF WORKING GROUP MEMBERS

General

- 6.1 Working Group Members shall act in accordance with Clause 7.33 of the DCUSA and in accordance with these Terms of Reference as determined by the Panel.
- 6.2 Working Group Members should become conversant with Section 1C of the DCUSA which sets out the DCUSA Change Control process.
- 6.3 Representatives should be prepared to:
- Provide the confirmation referred to in Clause 7.34.
 - Engage and participate fully in the Working Group.
 - Take actions to be completed outside of the Working Group meetings.
 - Report back on views and actions taken.

Impartiality

- 6.4 Working Group Members shall act impartially and shall not be representative of a Party, Group of Parties or Constituency.

7 SECRETARIAT

- 7.1 The Working Group shall, unless determined otherwise by the DCUSA Panel, develop and adopt its own internal working procedures. The Working Group will be supported by the Secretariat who shall be responsible for:

- Booking, convening and circulating notice of meetings.
- Circulating the agenda for each meeting of the DCUSA Issues Group at least 5 Working Days in advance of the meeting.
- Circulating minutes of the meeting no later than 10 Working Days following the meeting.
- Publishing all non confidential meeting papers and minutes on the DCUSA website.
- Providing a verbal report to the Panel from each meeting as appropriate, giving a summary of key issues and progress being made.

8 CONSULTATION WITH PARTIES

- 8.1 The Working Group may engage in further consultation with Parties and interested third parties before submitting its final Change Report to the Panel.
- 8.2 The Working Group should adopt appropriate mechanisms where possible to ensure that Parties and interested third parties have a full understanding of the issues and are able to provide an informed consultation response.

9 DECISION MAKING

- 9.1 Decisions will be by majority consensus of those Working Group members present at the meeting where the decision is taken.

10 APPROVAL OF EXPENDITURE

- 10.1 The Working Group shall seek the views of the DCUSA Panel before taking on any significant amount of work.
- 10.2 Where the Working Group requires instruction, clarification or guidance from the DCUSA Panel, particularly in relation to its Scope of Work, the Working Group Chairman should contact the DCUSA Panel Secretary.
- 10.3 The Panel will be responsible for the management of the costs of Secretariat services, legal costs and ancillary charges such as teleconferencing charges.
- 10.4 The expenses of those serving on the DCUSA Issues Group will be managed in accordance with Clause 8.

11 POLICY REGARDING PROFESSIONAL AND LEGAL ADVISORS

- 11.1 The Working Group is expected to take into consideration the Policy regarding Professional and Legal Advisors. The policy is available on the DCUSA website and provides a framework for obtaining advice from Professional Advisors in a controlled fashion.
- 11.2 This policy covers all groups operating under the auspices of DCUSA including DCUSA Panel, DCUSA Board and DCUSA Working Groups.

12 TIMETABLE

- 12.1 The Panel will determine the timetable for the progression of the Change Proposal. The initial assessment period granted to the Working Group will not exceed 60 Working Days.

- 12.2 The Working Group may apply to the Panel for an extension setting out a clear justification for the request and providing a timetable for progression of the Change Proposal.

13 REPORTING TO THE DCUSA PANEL

- 13.1 Working Groups will report directly to the Panel. A verbal report will be provided to the Panel on a monthly basis, giving a summary of key issues and progress being made.

- 13.2 The Working Group shall prepare a final Change Report to the DCUSA Panel setting out:

- The Party Categories eligible to vote on the Change Proposal.
- The proposed variation to the Agreement.
- The likely effects of the Change Proposal if it was implemented.
- The proposed date for implementation.
- A summary of the views of the Working Group as to whether, if the proposed variation were made, the Agreement would better facilitate the achievement of the DCUSA Objectives than if that variation were not made;
- Any responses received to the consultation process conducted by the Working Group.
- Why the Working Group considers that the proposed variation better facilitates the achievement of the DCUSA Objectives than any alternative variation.

- 13.3 Any unresolved comments within the Working Group must be reflected in the final Change Report.

- 13.4 The Chairman (or another member nominated by him) will present the Change Report to the DCUSA Panel as required.

PART B – DCP 228 SPECIFIC

14 DCP 228 'Revenue Matching in the CDCM'

- 14.1 The Working Group is responsible for assisting the DCUSA Panel in the evaluation of DCUSA Proposal DCP 228 'Revenue Matching in the CDCM'.

15 TIMETABLE

- 15.1 The Working Group shall consider its timetable at the first meeting of the group on 27 February 2015.
- 15.2 The Working Group shall use reasonable endeavours to complete the definition phase within 60 Working Days of the date of the first meeting. Any extension to this date will be subject to approval by the DCUSA Panel.