

DCUSA DCP 227 Consultation responses – collated comments

Company	Confidential / Anonymous	1. Do you understand the intent of the CP?	Working Comments
Electricity North West	Non-confidential	Yes	Noted
Northern Powergrid	Non-confidential	Yes, we understand the intent of DCP 227 to change the way costs are allocated so that peaking probabilities are applied consistently to all tariffs, and costs are spread more evenly across tariffs.	Noted
SP Distribution plc / SP Manweb plc	Non-confidential	Yes	Noted
UK Power Networks	Non-confidential	Yes.	Noted
Western Power Distribution	Non-confidential	Yes	Noted
British Gas	Non-confidential	Yes	Noted
SSEPD	Non-confidential	Yes	Noted

Company	Confidential / Anonymous	2. Are you supportive of the principles established by this proposal?	Working Comments
Electricity North West	Non-confidential	Yes. This removes a potential barrier to DCP179 in preventing customer movement between tariffs.	GE to provide additional information on the reason for this ACTION GE
Northern Powergrid	Non-confidential	We are supportive of the principles of DCP 227.	Noted
SP Distribution plc / SP Manweb plc	Non-confidential	Yes we are supportive.	Noted
UK Power Networks	Non-confidential	No	It was noted that further reasoning behind this is noted in later questions.
Western Power Distribution	Non-confidential	Yes	Noted
British Gas	Non-confidential	Yes, the change simply corrects a discrepancy in the CDCM whereby costs are allocated differently for two specific demand tariffs compared to the other demand tariffs.	Noted
SSEPD	Non-confidential	Yes	Noted

Company	Confidential /	3. Are there any unintended consequences of this proposal?	Working Group comments
----------------	-----------------------	---	-------------------------------

	Anonymous		
Electricity North West	Non-confidential	We are not aware of any unintended consequences resulting from this DCP	Noted
Northern Powergrid	Non-confidential	We do not believe there are any unintended consequences as a result of this proposal.	Noted
SP Distribution plc / SP Manweb plc	Non-confidential	None.	Noted
UK Power Networks	Non-confidential	Yes. The charges to single unit rate (Unrestricted) customers would in most cases reduce, however under this approach this would not be based upon the costs which these charges should reflect, as a result of the significant difficulty of identifying when unrestricted users actually use their energy.	<p>The respondent further explained that they envisage the that the proposal will make the charges less cost reflective. It was suggested that this concern was raised when the CDCM was originally drafted which is why this approach was not used when the CDCM was created.</p> <p>UKPN took an action to provide additional detail on this response.</p>
Western Power Distribution	Non-confidential	No	Noted
British Gas	Non-confidential	None that we have identified.	Noted
SSEPD	Non-confidential	Not that we are aware of	Noted

Company	Confidential / Anonymous	4. Do you consider that the proposal better facilitates the DCUSA objectives?	Working Group Comments
Electricity North West	Non-confidential	This change proposal better meets charging objective three as this will facilitate more cost reflective charging.	Noted
Northern Powergrid	Non-confidential	Yes, we feel the proposal better facilitates DCUSA charging objective three by removing inconsistencies in the way the CDCM allocates costs on the basis of contribution to system simultaneous maximum load as currently different rules are applied to different tariffs. The improved consistency of cost allocation gained from DCP 227 will enable greater cost reflectivity to be achieved.	Noted
SP Distribution plc / SP Manweb plc	Non-confidential	Yes we believe the proposal better meets the DCUSA objectives identified by the working group.	Noted
UK Power Networks	Non-confidential	No, as we believe that this change proposal would have a detrimental effect on the cost reflectivity of single unit rate (Unrestricted) tariffs.	Noted
Western Power Distribution	Non-confidential	Yes	Noted
British Gas	Non-confidential	Yes, Charging Objective Three is better facilitated as the CP removes an inconsistency in the allocation of network costs to different tariffs. Also, in some DNO areas the time that the network levels peak is significantly different from	Noted

		the time of system peak. In these cases, much of the costs of the network are driven by what is occurring outside of the time of system peak. Therefore, by bringing peaking probabilities into the calculations, DCP 227 would introduce greater cost reflectivity by better reflecting the costs incurred on the network.	
SSEPD	Non-confidential	Yes, we agree with the Working Group that Charging Objective Three would be better facilitated	Noted

Company	Confidential / Anonymous	5. Do you have any other comments on the proposed legal text?	Working Group comments
Electricity North West	Non-confidential	No	Noted
Northern Powergrid	Non-confidential	No.	Noted
SP Distribution plc / SP Manweb plc	Non-confidential	None.	Noted
UK Power Networks	Non-confidential	We are comfortable with the proposed changes to the legal text, should the change proceed.	Noted
Western Power Distribution	Non-confidential	No	Noted

British Gas	Non-confidential	No	Noted
SSEPD	Non-confidential	Not at this time	Noted

Company	Confidential / Anonymous	6. Are there any alternative solutions or matters that should be considered?	Working Group Comments
Electricity North West	Non-confidential	No	Noted
Northern Powergrid	Non-confidential	No.	Noted
SP Distribution plc / SP Manweb plc	Non-confidential	No.	Noted
UK Power Networks	Non-confidential	We believe that this change would be counter intuitive to benefits that are being promoted with the introduction of smart meters and the new DUoS tariffs introduced by DCP179.	<p>The respondent further explained that they believe the CP will have a detrimental impact to the new red, amber, green time bands. Under the CP, we will be using peaking probabilities for un-restricted tariffs when there is not a method for determining the peaking point, thus it will not be reflective.</p> <p>A Working Group member highlighted that there are benefits in having a consistent approach.</p>

Western Power Distribution	Non-confidential	No	Noted
British Gas	Non-confidential	No	Noted
SSEPD	Non-confidential	Not at this time	Noted

Company	Confidential / Anonymous	7. Are you supportive of the proposed implementation date of 1 April 2016?	Working Group Comments
Electricity North West	Non-confidential	Yes	Noted
Northern Powergrid	Non-confidential	Yes we are supportive of the proposed implementation date.	Noted
SP Distribution plc / SP Manweb plc	Non-confidential	Yes.	Noted
UK Power Networks	Non-confidential	No. We feel that this change would impede the benefits that can be met with multi-rate tariffs.	It was noted that the respondent does not support the change.
Western Power Distribution	Non-confidential	If the decision can be made before setting prices in November/ December yes otherwise 1 st April 2018.	Noted

British Gas	Non-confidential	There is clearly a discrepancy in the way that the CDCM currently allocates costs for the domestic unrestricted and small non-domestic unrestricted tariffs compared to the other demand tariffs in the CDCM. This should be corrected as soon as is practicable, however we are also mindful that the impact analysis suggests some reasonably large movements, particularly for the small non-domestic unrestricted tariff in some DNO regions, for which more notice to customers may be appropriate. On balance, we consider that a delay in implementation to April 2017 may be appropriate in this instance and as Proposer we would not object to such a delay.	The group agreed that the group agreed to move the implementation date to April 2017.
SSEPD	Non-confidential	Yes	Noted

Company	Confidential / Anonymous	8. Please state any other comments or views on the Change Proposal.	Working Group Comments
Electricity North West	Non-confidential	N/A	Noted
Northern Powergrid	Non-confidential	None at this time.	Noted
SP Distribution plc / SP Manweb plc	Non-confidential	No further comments.	Noted

UK Power Networks	Non-confidential	n/a.	Noted
Western Power Distribution	Non-confidential	n/a	Noted
British Gas	Non-confidential	n/a	Noted
SSEPD	Non-confidential	Nothing further to add at this time	Noted