

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 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

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| Document Control | |
| CP Status | Urgent |
| CP Number | DCP 225 |
| Date of submission | 10/12/2014 |
| Attachments | |
| Originator Details | |
| Company Name | British Gas |
| Originator Name | Kevin Woollard |
| Category | Supplier |
| Email Address | Kevin.woollard@britishgas.co.uk |
| Phone Number | 07979 563580 |
| Change Proposal Details | |
| CP Title | Theft Risk Assessment Service – Party obligations |
| Impacted parties | Suppliers |
| Impacted Clause(s) | Contents Table 1.1 Definitions 8 'Costs' New Schedule [XX] |
| Part 1 / Part 2 Matter | Part 1 |
| Provide your rationale why you consider this change is a Part 1 or Part 2 Matter | This CP requires Authority Consent as it introduces a new mandatory Schedule. |
| Related Change Proposals | DCP201 was implemented on 1 April 2014 and introduced the TRAS arrangements into the DCUSA. |
| Change Proposal Intent | |
| This CP seeks to include provisions for the Theft Risk Assessment Service (TRAS) in the DCUSA. This will include the obligations on Supplier Parties to submit data to the TRAS and a description of the services to be provided by the TRAS. | |
| Business Justification and Market Benefits | |
| In January 2013 the Authority directed Gas Suppliers to implement a central Theft Risk Assessment Service (TRAS) to assess the risk of gas theft at consumer premises to help target theft investigations. In July 2014 the Authority extended the TRAS requirements to electricity and placed the same Licence Condition on Electricity Suppliers. Both Electricity and Gas Suppliers therefore need to have a fully operational TRAS in place by 26 February 2016. | |
| The TRAS requires a governance structure to allow it to be amended, and for compliance to be assured. The DCUSA | |

has been identified as an appropriate home for the electricity obligations. Therefore, this CP will facilitate the introduction of the TRAS and allow parties to meet their Licence requirements.

A dual fuel TRAS Working Group has been established to procure a TRAS Provider and oversee the implementation of the TRAS. This Working Group has produced a Request for Proposal (RfP) setting out the service description for the TRAS and potential data that SPAA (Supply Point Administration Agreement) and DCUSA Parties will be required to submit to the TRAS Provider. The RfP has now been issued to potential TRAS Providers and the TRAS procurement plan anticipates that the contract with the appointed TRAS Provider will be signed in May 2015.

This CP has been raised to incorporate the TRAS requirements into the DCUSA. The CP introduces a new DCUSA Schedule which will include details of the service to be provided by the TRAS Provider; and the rights and obligations of DCUSA Parties in relation to the TRAS. The detailed service description will not be confirmed until further through the TRAS procurement process, therefore legal drafting has not been included at this stage.

Proposed Solution and Draft Legal Text

It is proposed that details of the service to be provided by the TRAS Provider and the rights and obligations on Supplier Parties in relation to TRAS will be incorporated in a single TRAS Schedule. This requires a change to the Contents Table to add Schedule [XX] TRAS Schedule to the list.

This TRAS Schedule will need to include a list of Relevant Information to be provided by Suppliers to the TRAS Provider. This will reflect the requirements agreed with the TRAS Provider during the procurement process. Additional drafting will also be needed setting out the frequency of data submission and details of service to be provided by the TRAS Provider to DCUSA Parties. These are detailed in the TRAS Provider Service Description (Attachment 1). Additional definitions will need to be added to list in Clause 1.1 as required.

T DCUSA Change Proposal 201 which was approved in March 2014 proposed that the costs of TRAS will be shared between all Supplier Parties based on market share of Metering Points. Market share on this basis is already used in DCUSA for recovering TRAS costs, therefore the methodology for determining each Supplier's market share will be based on the method already set out in Clause 8.9A of the DCUSA. It is proposed that Clause 8.13 be amended to cross reference the requirements in 8.9A. The DCUSA voting arrangements should be reviewed as part of this proposal and consideration given to the fact that as only Supplier parties are contributing to the costs of TRAS, only Supplier Parties should be entitled to vote on changes to DCUSA clauses and schedules relating to the TRAS arrangements.

Under the proposed TRAS arrangements DCUSA Ltd will become a Data Controller, the DCUSA will need to be amended to hold DCUSA Ltd harmless for any breaches in DPA when providing data to the TRAS Provider on behalf of Supplier parties.

Proposed Implementation Date

18 May 2015 at the latest. This CP is required to allow the DCUSA Panel to sign a contract with the TRAS Provider. The TRAS procurement plan anticipates that the contract will be signed on 19 May 2015. If possible this CP should be implemented as part of a scheduled release. However, if this is not possible, then an extraordinary release will be required for this change.

It is anticipated that a phased implementation plan will be agreed with the TRAS Provider which will set out the milestones when data will be required to be submitted and when elements of the service will go live. The rights and obligations on DCUSA Parties introduced by this CP will not take effect until the TRAS Effective Date. In addition, the service to be provided by the appointed TRAS provider will not commence until the TRAS Effective Date.

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 checked="" type="checkbox"/> |
| None | <input type="checkbox"/> |

If other please specify

A similar Change Proposal is being progressed under the SPAA. However, these CPs are mutually exclusive.

Consideration of Wider Industry Impacts

N/A

Environmental Impact

N/A

Confidentiality

N/A

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

General Objective 2 is better facilitated as the establishment of a TRAS service enables a more efficient and targeted approach to tackling theft of electricity. This more efficient action in tackling theft reduces costs and therefore helps facilitate competition in the supply of electricity.

General Objective 1 is also better facilitated as reduced theft enables more accurate data about consumption to be utilised by DNOs. More accurate data gives DNOs more opportunity to manage their network in an efficient and economic manner.

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

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|--------------------------|---|
| <input type="checkbox"/> | 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 |
| <input type="checkbox"/> | 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences |
| <input type="checkbox"/> | 4 The promotion of efficiency in the implementation and administration of this Agreement |
| <input type="checkbox"/> | 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]

Charging Objectives:

General Objectives:

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

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

| Ref | Data Field | Guidance |
|-----|---|--|
| 1 | Attachments | Append any proposed legal text or supporting documentation in order to better support / explain the CP. |
| 2 | Part 1 / Part 2 Matter | 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 | Related Change Proposals | Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process. |
| 4 | Proposed Solution and Draft Legal Text | 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 |

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| | | <p>(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 | Proposed Implementation Date | <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"> • Submission of Company indicative tariffs is 31 December of each year. • Final tariffs are published on 1 April of each year. <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 dcusa@electralink.co.uk.</p> |
| 6 | Consideration of Wider Industry Impacts | <p>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.</p> |
| 7 | Environmental Impact | <p>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 Ofgem Guidance.</p> |
| 8 | Confidentiality | <p>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.</p> |
| 9 | DCUSA General Objectives | <p>Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.</p> |
| 10 | Detailed Rationale for DCUSA Objectives | <p>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.</p> |
| 11 | DCUSA Charging Objectives | <p>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.</p> |

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