

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

Document Control	
CP Status	Standard
CP Number	DCP 220
Date of submission	03 November 2014
Attachments	None
Originator Details	
Company Name	Northern Powergrid
Originator Name	Pat Wormald
Category	DNO
Email Address	pat.wormald@northernpowergrid.com
Phone Number	01977-605934 Mob 07894-399074
Change Proposal Details	
CP Title	Correction Of Paragraphs 17 and 18 In Schedule 16 (CDCM) To Accurately Reflect Network Levels In The Network Model
Impacted parties	Suppliers, DNOs, IDNOs
Impacted Clause(s)	Paragraphs 17 and 18 in schedule 16
Part 1 / Part 2 Matter	Part 2
Provide your rationale why you consider this change is a Part 1 or Part 2 Matter	Whilst this change is not required to be classified as part 1 under the terms of clause 9.4 of the DCUSA, it affects the charging methodologies that DNOs are required under their licences to have approved by Ofgem. Thus, it is appropriate for this change proposal to be subject to explicit approval by Ofgem as a part 1 change.
Related Change Proposals	None
Change Proposal Intent	
The intent of the change proposal is to make changes to paragraphs 17 and 18 of DCUSA schedule 16 as the current list of network levels in paragraphs 17 and 18 is incomplete: it omits the 132kV/HV network level.	
Business Justification and Market Benefits	
<p>The current text in paragraph 18 is incorrect because it assumes that some DNO Parties will use a separate EHV charging methodology within the CDCM. This might have been a proposal on the table at an early stage in the development of the CDCM, but it does not reflect the approved approach captured in the rest of schedule 16.</p> <p>The current list of network levels in paragraphs 17 and 18 is incomplete: it omits the 132kV/HV network level. Again, the text might reflect the proposals that were on the table at an early stage in the development of the CDCM, but it does not reflect the approved approach captured in the rest of schedule 16.</p>	

Proposed Solution and Draft Legal Text

Suggested changes to legal text

The proposed revised text correctly describes the methodology, by merging and extending the text in paragraphs 17 & 18 and making paragraph 18 no longer used.

17. ~~In all cases, the~~ The network model determines the £/kW/year figure (based on simultaneous maximum load at each network level) corresponding to amortisation and return on capital for assets at the LV circuits, HV/LV ~~and, HV, EHV/HV and EHV network levels, and, in England and Wales, at the 132kV/EHV, 132kV/HV and 132kV network levels~~ network levels.

18. ~~For DNO Parties that do not rely on a separate EHV charging methodology, the network model also determines these costs at the EHV/HV and EHV network levels, and, in England and Wales, at the 132kV/EHV and 132kV network levels~~ Not used.

Proposed Implementation Date

Next scheduled release after approval.

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

None.

Environmental Impact

None — this change does not affect charges.

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

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

Charging Objectives:

No impact against the objectives as they are drafted, since the change does not affect the effect of the charging methodology.

General Objectives:

The change corrects an error in the drafting of schedule 16. It would make schedule 16 easier to understand by improving its internal consistency.

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

The issue arose during the DCMF MIG (Methodologies Issues Group) meeting of 8 May 2014. A draft of this DCP was circulated to the DCMF MIG members on 8 May 2014.

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	Outline the proposed solution for addressing the stated

	Draft Legal Text	<p>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.</p> <p>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	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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