

DCUSA DCP 214 Collated Consultation Responses

Company	1. Do you agree with the intent of DCP 214?	Working Group Comments
British Gas	Whilst we agree with that in some circumstances the panel recommendation is not in line with the majority voting we do not believe the case for wholesale changes to the DCUSA change process has yet been made.	The Working Group reviewed and noted the response.
Electricity North West	<p>No. We do not believe a change to the voting system is required. All votes cast represent the views of companies and the parties who responded to the change proposal.</p> <p>Whilst we understand that DCUSA is covered by open governance, the governance arrangements reflect the Ofgem 'Governance in the Electricity Distribution Commercial arrangements - conclusions and final proposals' document dated 23rd November 2005.</p> <p>The key message being the parties would vote in their constituent classes and a consensus across all constituents being required for the change to be recommended to Ofgem if a Part one change and implemented if a Part two change.</p> <p>The constituent approach also protects the smaller parties (both in the generation and the IDNO party groups) by ensuring that "they have meaningful participation" and are equally protected from change being forced upon them by weight of other party votes.</p>	The ENWL representative also mentioned that there is a procedure in place and that there have only been a few cases where the vote has not been representative of the overall majority of Parties that voted.
GTC	Yes	The GTC representative mentioned that having reviewed the responses to the consultation, she does not feel that there is a strong case for an amendment to the voting process; and that an alternative to the current process would not necessarily be better to the existing

		one.
Northern Powergrid	<p>We agree that it would be helpful if there could be a solution to the problem that this change proposal seeks to address, for example where a single party vote or a very small number of party votes may disproportionately affect the party's recommendation to the authority.</p> <p>However, we note that the intent is <i>'To ensure that the recommendation made to Ofgem of a Part 1 change or the outcome of a Part 2 change truly reflects the interests (voting or otherwise) of the parties'</i> and in respect of the word <i>'otherwise'</i> we do not believe that the views or interest of parties that do not vote should influence the Party recommendation. So while we support the aims of the change we do not fully support the detail of the intent.</p>	The Working Group reviewed and noted the response
Reckon LLP	Yes, as the intent is stated. But not as it has been interpreted by the working group so far, as that does not take proper account of parties other than DCUSA Parties which are affected by DCUSA changes.	The Working Group (WG) agreed that this statement is out of scope for this Change Proposal (CP). This CP's intent is only to address the voting process for DCUSA Parties.
Scottish Power Energy Retail Ltd (SPERL)	YES	The SPERL representative also mentioned that they agreed with the principle of change but were not sure of the benefit it would bring or what additional value it could add to the DCUSA Change Process.
Southern Electric Power	Yes.	The SSE representative explained that they agreed with the intent as written within the CP form, but don't necessarily support the change

Distributi on plc and Scottish Hydro Electric Power Distributi on plc		as it is being developed.
UK Power Networks	Yes	The Working Group noted the response

Company	2. Do you agree with the principles of DCP 214?	Working Group Comments
British Gas	See answer to question 1	The Working Group noted the response
Electricity North West	<p>No. This change re-introduces the arguments raised in 2005 which were discounted i.e. the MRA and the CUSC model (which is the same as the BSC).</p> <p>Dependent upon the approach adopted by the working group, it could be in breach of the distribution licence clause 22.14 which states:</p> <p>“No amendment of the DCUSA may be made unless:</p> <p>(a) the parties to the DCUSA have voted, pursuant to paragraph 22.12(a), in favour of the amendment described in the relevant amendment report; or</p> <p>(b) the Authority, having had regard to the Applicable DCUSA Objectives, directs the licensee, in conjunction with every other</p>	The Working Group reviewed and noted the response

	<p>Electricity Distributor, to amend the DCUSA in such manner as is stated in that direction following the making of a recommendation to the Authority by the parties to the DCUSA pursuant to paragraph 22.12(b)."</p> <p>The key part of this obligation is that parties have voted.</p> <p>The concept of parties not voting being treated in a certain way is not supported. They have a right to vote, and if they decide not to it is their choice and they have to stand by the outcome of the voting process. For the DCUSA to state how such a non vote is treated is inappropriate.</p>	
GTC	Yes	The Working Group noted the response
Northern Powergrid	<p>No, the analysis shows that in the vast majority of cases the recommendation reflected the majority position with only four cases out of circa 200 being at odds to this and in all of those four instances Ofgem reversed the decision.</p> <p>We believe the current voting arrangement generally works well. The party split is key to the voting procedure and ensures that the smaller party categories voice is properly heard particularly as the DCUSA is as much a contract between the DNOs and IDNOs as it is between DNOs and suppliers.</p> <p>However, we appreciate that where only a very small number of Parties in a particular category participate in a working group, submit consultation responses and/or votes. Ofgem's decisions on part 1 matters can only be based on the views of parties that are expressed. For more significant or more sensitive changes we wonder if it would be helpful and appropriate for Ofgem's representative on the working group to write to (or email) parties to encourage them to vote on a</p>	<p>The Northern Powergrid representative also mentioned that at five days post-delivery of the consultation, the DCUSA Secretariat could ring around smaller suppliers to encourage them to respond to the consultation and small supplier representatives could be used in this process. The WG agreed that this would be a good procedure and this should be sent to the DCUSA Panel for consideration.</p> <p>One WG member suggested that a DCUSA Party needs to acknowledge that they have received the consultation and to undertake an action that demonstrates that they have received the consultation and will not make a formal comment on the action, if they choose not to.</p>

	particular change in order to be more clear about a party group's position.	
Reckon LLP	No. All parties affected by a DCUSA change proposal should have a vote, not just DCUSA Parties.	The WG agreed that this statement is out of scope for this Change Proposal (CP). This CP's intent is only to address the voting process for DCUSA Parties.
Scottish Power Energy Retail Ltd (SPERL)	SPERL understand the principle of what is trying to be achieved by the Change Proposal.	The SPERL representative also mentioned that they understand that this change was trying to improve the voting process, but they were not convinced of the value of the change.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No.	The SSE representative also mentioned that they had considered the alternatives to the current voting process, and the existing voting process maybe the best option. The issue may not be the voting process per se, but rather the lack of engagement and participation of small parties and some larger parties.
UK Power Networks	Yes – it should not be within the gift of a single party to determine the outcome of a vote	The Working Group reviewed and noted the response

Company	3. The Working Group considers that DCUSA General Objectives 2 ¹ and 3 ² are better facilitated by DCP 214, do you agree with this opinion? Please provide supporting comments on this and any other DCUSA Objective you feel may be impacted by DCP 214.	Working Group Comments
British Gas	We do not agree that the General Objectives 2 and 3 are better facilitated by DCP 214. We believe that the DCUSA change process remains fit for purpose. Regardless of the voting outcome Ofgem are still required to give Authority consent for Part 1 matters. As a result they are able to take a more rounded view of the voting outcomes (including comments) and as a result can take a view on the overall panel recommendation.	The Working Group reviewed and noted the response
Electricity North West	<p>It is difficult to understand how the working group came to the decision that this change proposal better facilitates General objective 2 and 3 since the reasoning for such a decision is not contained within the consultation document. It would have been helpful to have had understood this view.</p> <p>Our view depends upon the option chosen.</p> <p>Option 1 – Representative Panel</p> <p>General Objective 1 – neutral</p> <p>General Objective 2 - It would have a negative impact by taking away from parties the right to vote on change affecting their business</p> <p>General Objective 3 - This would breach the Distribution Licence so it</p>	The Working Group reviewed and noted the response

¹ 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

² The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences

	<p>has a negative impact on this objective.</p> <p>General Objective 4 – this would increase the administrative burden of DCUSA so would have a negative impact on this objective</p> <p>General objective 5 - neutral</p> <p>Option 1 summary - negative impact</p> <p>.....</p> <p>Option 2 – Change Board</p> <p>General Objective 1 – neutral</p> <p>General Objective 2 – whilst parties have a right to vote the change board do undertake minor changes and it is their judgement as to whether it is material or not. At best this is neutral until more information is available regarding kick back powers, voting of parties and how the change board operates. It should be recognised that the MRA is undertaking a review of their voting process.</p> <p>General Objective 3 – neutral at this stage as it depends on the terms of reference of the Change Board and whether they can change the proposal based on responses received thereby making it a Change Board outcome rather than that of voting constituents.</p> <p>General Objective 4 – this would increase the administrative burden of DCUSA so would have a negative impact on this objective</p> <p>General objective 5 - neutral</p> <p>Option 2 summary - negative impact based on the information currently available from this consultation</p>	
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	<p>significant majority declare a no interest stance and others have actually voted, a challenge as to why the others have actually voted. To state that if you have not voted it will be assumed that your stance is neutral and if the majority fall in this manner compared to those that voted would change the result of that category is not justified and as such would definitely have a negative impact on this objective.</p> <p>General Objective 3 – this would also not be in line with the Distribution Licence in that it is considering a voting stance of parties who have not voted resulting in a negative impact on this objective</p> <p>General Objective 4 – neutral</p> <p>General objective 5 - neutral</p> <p>Option 4 summary - negative impact based on the information currently available from this consultation.</p>	
GTC	Yes	The GTC representative advised the Working Group that following a review of the responses received to this question, that they do not strongly feel that General Objectives 2 and 3 are better facilitated by DCP 214.
Northern Powergrid	No. We do not believe that the current voting arrangements are actually having a significant impact on either the facilitation of completion or the efficient discharge of licence obligations.	The Working Group reviewed and noted the response
Reckon LLP	I do not know whether this is true until there is a DCP 214 solution on the table.	The Working Group reviewed and noted the response
Scottish Power Energy Retail Ltd	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	The Working Group reviewed and noted the response

(SPERL)	4, The promotion of efficiency in the implementation and administration of this Agreement	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No – we do not feel that implementation of the proposal would improve on the current voting procedures.	The Working Group reviewed and noted the response
UK Power Networks	While the WG has not, through its consultation, explained why they have drawn this conclusion, we support this view as put forward in our original proposal.	The Working Group reviewed and noted the response

Company	4. Do you agree with the proposed implementation date of DCP 214?	Working Group Comments
		The Working Group reviewed and noted the responses to this question.
British Gas	N/A	

Electricity North West	<p>Further work is required on each option to determine what lead time is required. If there is significant administration work to be undertaken in advance of the implementation date and the decision falls close to a release date the change process may not be able to operate in line with the DCUSA.</p> <p>It is therefore suggested that whatever option the working group wish to take forward they consider the implementation timetable in determining what lead time is required.</p>	
GTC	Yes	
Northern Powergrid	No, we don't support the implementation of any of these options, but please note our suggestion in our response to question 2.	
Reckon LLP	Yes.	
Scottish Power Energy Retail Ltd (SPERL)	YES	
Southern Electric Power Distribution plc and Scottish Hydro	N/A – we do not agree with the proposal.	

Electric Power Distribution plc		
UK Power Networks	yes	

Company	5. Provide your opinion on Option 1 – To move away from Party voting to a Representative Panel.	Working Group Comments
		WG noted that the respondents unanimously agreed that Option 1 'To move away from Party voting to a Representative Panel' was not option for consideration.
British Gas	We do not agree with the proposal to move to a Representative Panel. We believe the current voting mechanism gives all parties the opportunity to give their views and rationale for voting, in a fashion transparent to all parties, including Ofgem.	The Working Group reviewed and noted the response
Electricity North West	Our opinion on each of the options is contained within the response to the General Objectives.	The Working Group reviewed and noted the response
GTC	<p>We have some concerns regarding Options 1 & 2 which we have outlined in the response to this question:</p> <ul style="list-style-type: none"> • Would the panel or a change board, have the expertise necessary particularly for charging methodology related items to make an appropriate determination? 	The WG noted the comments within this response and felt that this option would not be very transparent.

	<ul style="list-style-type: none"> We would still need to consider on what basis membership could be awarded in order that the voting is equal, reflective, effect and efficient. The MRA is currently reviewing membership of MDB. Only a subset of DNO's sit on the board regardless of size or in other words weighting. Would the appeals process need to change as well? The appeals process under the codes which utilise these methods are different to what is used under the DCUSA at present. <p>If we were to move to this style of arrangement an alteration to DCUSA may be required in order to facilitate a greater role for the secretariat. Under the MRA and the BSC the secretariat provides more services in regards to analysis, chairing of meetings, research and report writing. This is profoundly important in the change board or panel scenario to ensure that members are kept well informed and that the change process is run as efficiently as possible.</p>	
Northern Powergrid	One specific aspect that we like about the current DCUSA voting arrangement is that any party group (DNO/IDNO/Supplier/Generator) effectively has the right/ability to veto a change. Depending on how this change is implemented (if approved) and the sizing of the representative panel it could dilute or completely diminish this aspect.	The Working Group reviewed and noted the response
Reckon LLP	This would be a terrible idea. It would entrench the control of professional meeting attendees an/or large incumbent companies over DCUSA change management. It could also lead to matters that pit the interests of one party category against those of another being decided by majority oppression, rather than, as at present (and as is appropriate), require the consent of a majority of each affected party category.	The Working Group reviewed and noted the response

	It would be particularly bad if the panel was representative of DCUSA Parties and not representative of all parties affected by DCUSA changes.	
Scottish Power Energy Retail Ltd (SPERL)	We do not support this option as we do not believe that this concept will encourage individual parties to get more actively engaged in the Change Process. A Panel Member, who is elected to represent a specific constituency, may have a difficult role if the members of that constituency have different views with respect to a particular Change Proposal. The expectation is that this Panel Member will represent the views of the majority and as such some Parties may feel un-represented.	The Working Group reviewed and noted the response
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	We do not agree with this option. In our view, this option may give less opportunity for individual Party opinions to be fully represented through to decisions than under the current arrangements.	The SSE representative highlighted that they agreed with the response from British Gas given above.
UK Power Networks	It is unclear whether this would be an additional Panel or the existing one. It is assumed that it is the existing Panel else it would effectively be the same as option 2. A representative panel may be problematic where the constituents a	Noted.

	<p>member represents are not of the same mind. In addition, DCUSA encompasses many areas of expertise and it is unclear quite how a Panel can represent all of those.</p> <p>While there is not much detail as to how this may work, it could add an administrative burden onto the members – if they are required to determine how the parties they represent feel about a given issue and they could be faced with the non-response issue themselves. There may also be a conflict of interest if their views differ from the parties they represent.</p>	
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Company	6. Provide your opinion on Option 2 – To move away from Party voting to a Change Board.	Working Group Comments
		The Working Group noted that the majority of respondents agreed that Option 2 'To move away from Party category voting to a Change Board' was not an option for consideration.
British Gas	We do not agree with the proposal to move to a Change Board. We believe the current voting mechanism gives all parties the opportunity to give their views and rationale for voting, in a fashion transparent to all parties, including Ofgem. The addition of a Change Board is a further layer of bureaucracy, which appears to be unnecessary.	The Working Group reviewed and noted the response
Electricity North West	Our opinion on each of the options is contained within the response to the General Objectives.	The Working Group reviewed and noted the response
GTC	See comments for question 5	The Working Group reviewed and noted the response

Northern Powergrid	<p>The MRA voting is by change board so if the majority vote within each class (supplier/DNO/BSC rep which is weighted) are in favour of the change then it will accept else if not then it's rejected. We believe this approach suffers from similar flaws to those present in the Representative Panel approach.</p>	The Working Group reviewed and noted the response
Reckon LLP	<p>This would be a terrible idea. It would entrench the control of professional meeting attendees an/or large incumbent companies over DCUSA change management. It could also lead to matters that pit the interests of one party category against those of another being decided by majority oppression, rather than, as at present (and as is appropriate), require the consent of a majority of each affected party category.</p> <p>It would be particularly bad if the change board was representative of DCUSA Parties and not representative of all parties affected by DCUSA changes.</p>	The Working Group reviewed and noted the response
Scottish Power Energy Retail Ltd (SPERL)	<p>The introduction of a Change Board as a sub group to DCUSA Panel would provide the opportunity to obtain a more granular view of a Change Proposal from Industry Parties out with the normal subset of workgroup participants. This could be beneficial to all code signatories allowing smaller parties more opportunity to engage and assist with their understanding of each Change proposals intent and impact.</p> <p>However in order for this to work the efficiently there is the requirement for strict management of the group by the Chairperson. This is essential to ensure that discussion is centred on the change proposal and on aspects of the change not previously considered that may impact on the progression or material fact of the Change Proposal.</p>	The SPERL representative at the meeting highlighted that SPERL considered this option as an opportunity to look at the engagement for smaller parties more fully, but they were not sure if there is any additional value with this option compared to the current voting process.

	<p>The Change Board we believe creates a further opportunity for all parties to fully consider the intent and impact of the proposal furthermore it can be a platform to discuss implementation techniques/dates etc.</p> <p>Developing an indicative voting mechanism could potentially identify concerns and any unintended consequences of the proposal. The thoroughness of this approach may serve to give the Authority more confidence that all aspects of the Change Proposal have been considered.</p>	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	<p>We do not agree with this option. In our view, this option may also give less opportunity for individual Party opinions to be fully represented through to decisions than under the current arrangements.</p>	The Working Group reviewed and noted the response
UK Power Networks	<p>A change board may be problematic where the constituents a member represents are not of the same mind. In addition, DCUSA encompasses many areas of expertise and it is unclear quite how a Panel can represent all of those.</p> <p>While there is not much detail as to how this may work, it could add an administrative burden onto the members – if they are required to determine how the parties they represent feel about a given issue</p>	The Chair commented that the Master Registration Agreement (MRA) has a mechanism by which a representative votes on behalf of other parties, e.g. DNOs etc.

	and they could be faced with the non-response issue themselves. There may also be a conflict of interest if their views differ from the parties they represent.	
Company	7. Provide your opinion on Option 3 – To have a two-tiered approach to the voting process which would maintain Party voting, but also produce an overall group recommendation.	Working Group Comments
		The WG noted that while there was no strong support for this option. However, several respondents expressed the opinion that this option is worthy of further investigation.
British Gas	There is potentially some merit to this approach. It will avoid the scenario where a rejection from a single category causes an overall rejection (when the remaining categories were in favour). The consultation notes <i>‘that recent voting has resulted in recommendations being made to Ofgem that a DCP should be rejected, based on the votes of one or two parties who were the only parties who voted in a Party Category and so determined the outcome for that category’</i> . Under Option 3, a recommendation could still be made to Ofgem on the basis of these one or two parties - in the circumstances of a tie between other categories (e.g. 1 accept, 1 reject), only with recommendation now to accept. It may be possible to develop variants of Option 3 to counter this (e.g. only categories with a ‘turn-out’ above a certain level would be included for establishing the overall recommendation).	The Working Group reviewed and noted the response
Electricity North	Our opinion on each of the options is contained within the response to the General Objectives	The Working Group reviewed and noted the response

West		
GTC	<p>We have no issue with this proposal but we are concerned about how this might affect the right to appeal a decision should a party category have voted to reject but the overall majority provided a recommendation to accept the change.</p>	<p>The WG discussed the concerns raised here on the right to appeal for this voting process. It was mentioned that Parties could only appeal if the Authority went against the recommendation of the DCUSA Parties and not if the Authority's decision is in line with the recommendation from the voting process. It was added that for Part 1 matters an appeal would take the form of a judicial review; and Parties felt that this could be cumbersome and expensive.</p> <p>As Part 2 matters do not go to the Authority for final determination, as they are self-governance matters, the appeals process is different. A Party can only appeal the Party voting recommendation on the grounds that it should have been put to Authority as a Part 1 matter and garnered a decision from the Authority, rather than just Parties.</p>
Northern Powergrid	<p>This solution would comply with the change intent of the recommendation representing a majority view but it is quite conceivable that a party group majority does not represent the view of the majority if viewed as individual parties. For example, if 5 DNOs and 5 IDNOs vote "Yes" and 20 suppliers vote "No" the recommendation would be to accept but the actual majority of the individual parties would be to vote No.</p>	<p>The Working Group reviewed and noted the response</p>
Reckon LLP	<p>If I understand the example give correctly (I was confused by the heading "Option 2 Arrangement"), then the effect of this option seems to be to deny access to the CMA appeal route in cases where an accepted change proposal is detrimental to the interests of a particular party category. This would be a terrible idea.</p>	<p>The Working Group reviewed and noted the response</p>

Scottish Power Energy Retail Ltd (SPERL)	The complexities involved are significantly more in a two tiered approach; we have reservations that this option would deliver an improved outcome.	The Working Group reviewed and noted the response
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	We do not agree with this option. We are not convinced that a 'group recommendation' on this basis would add any real value to the voting process and could place one Party category (who may have few members) in a 'casting vote' situation. This could give a small Party category disproportionate leverage in the process, which we feel would be inappropriate.	The Working Group reviewed and noted the response
UK Power Networks	This approach is worthy of further exploration. An alternative may be to consider all parties, rather than the majority of categories, and whether such parties should be weighted in some way.	The UKPN representative also mentioned that access to the appeal process must still be accessible regardless of recommendation.

Company	8. Provide your opinion on Option 4 – To introduce a “no interest or neutral” category into the voting mechanism	Working Group Comments
		The WG noted that three respondents felt that option 3 warrants further investigation; although, five respondents were not in favour of this option.

British Gas	<p>We do not believe this option better facilitates the DCUSA objectives. If non-voting parties are included in the voting process it will become much more difficult to achieve the require threshold to achieve acceptance and could stifle change.</p> <p>Further to this, being neutral to a change is potentially very different to having no interest. A party that has thoroughly assessed a modification and considers itself to have a neutral view should not be considered the same as a party that has not considered the modification at all. It could be argued that Option 4, in effect, is making voting by parties compulsory as all parties will have a vote recorded by default. How this would affect parties' interaction with modification is not obvious or straightforward. This is a fundamental change in approach and requires considerable development before it would be possible to assess for implementation.</p>	<p>The British Gas representative also mentioned it would be difficult to mandate option 4 within the DCUSA. It is difficult to determine if a lack of a response to a consultation is due to apathy, a lack of interest or time, or the consultation not being a priority for the recipient of the Change Report. The Authority making the decision on the change would need to know if a 'no interest or neutral' response is due to a lack of interest or apathy on the part of the respondent.</p>
Electricity North West	<p>Our opinion on each of the options is contained within the response to the General Objectives</p>	<p>The Working Group reviewed and noted the response</p>
GTC	<p>We do not believe that minority parties are protected under this option and that potentially the right to appeal may be lost. The crux of this issue is that parties are not voting/participating. We are concerned that where we are the only party to vote that under this arrangement our vote would not be truly reflected in the outcome. As we may have slightly more resources in comparison to other IDNO's it may be that other IDNO's are reliant on our votes to reflect the IDNO position. We are not convinced that this option presents the best solution to the issue as it seeks to shroud a legitimately cast vote(s) instead of addressing the overall picture. Even under this proposed option if more parties had voted in the IDNO category and the DNO and supplier parties had voted for acceptance the outcome would be the same as it is presently. This does not address the</p>	<p>The Working Group reviewed and noted the response, and agreed that the right to appeal would not be lost under option 4, because the same appeals process would still apply.</p>

	imbalance that 1 party category can overrule a majority of 2.	
Northern Powergrid	<p>In our view this could be seen as mandated voting by proxy. There is no evidence to suggest that those companies are not voting on changes because they are either neutral or because they have no interest. It is more likely that they are simply not engaged with the change process so to give their non-vote more meaning would be wrong.</p> <p>If the desire is for every companies vote to count mandated voting by all parties should be considered. However, we would highlight our suggestion at Q2 to try and stimulate more votes.</p>	The Working Group reviewed and noted the response
Reckon LLP	This seems like a good idea, for the reasons explained in the change proposal form.	The Working Group reviewed and noted the response
Scottish Power Energy Retail Ltd (SPERL)	Introducing an no interest or neutral vote would ensure that voting on a change is made only by parties that have a genuine interest and by those who have identified that the proposal and solution will impact them operationally or commercially. Initial thoughts would be that it would confirm no interest as opposed to guess work or further investigation from the Authority.	The Working Group reviewed and noted the response
Southern Electric Power Distribution plc and Scottish Hydro Electric	We do not feel that this adds real value to the process and would prefer to maintain the existing arrangements.	The Working Group reviewed and noted the response

Power Distributi on plc		
UK Power Networks	This is our strongly favoured approach. It could also be considered to include a definite neutral response. Voting counts could then differentiate between non-responses and an active neutral response.	The Working Group reviewed and noted the response.

Company	9. The DCUSA Voting arrangements currently have two different types of changes – Part 1 and Part 2 matters. Part 1 Matters will ultimately go to the Authority for final determination and Part 2 Matters are self-governance and will follow the Party vote. Part 1 matters must achieve more than 50% acceptance in each of the Party categories in which votes were received in order to give a recommendation to “Accept” to the Authority. Part 2 Matters must achieve more than 65% acceptance in each of the Party categories in which votes were received in order for the modification to be approved and implemented. Are these approval levels appropriate? Does the higher threshold in Part 2 matters give additional assurance of the process, or should both Part 1 and Part 2 have the same approval threshold?	Working Group Comments
		The WG noted that the consensus from respondents was to keep the current voting arrangements.
British Gas	We do not see the requirement to have different thresholds. We believe a simple majority of voting parties should be all that is required.	The Working Group reviewed and noted the response

Electricity North West	We believe that the current % are appropriate in that under Part 1 the majority of constituent parties are in support of change, with a higher threshold for Part 2 matters making the decision more robust rather than boarding on a 50:50 decision.	The Working Group reviewed and noted the response
GTC	As far as we are aware no major issues have been found due to the differing determination levels. Depending on which solution the working group wish to develop however it may be an area which should be looked at more closely as any changes may affect this.	The Working Group reviewed and noted the response
Northern Powergrid	As Ofgem are the ultimate arbitrator of part 1 matter it seems appropriate that it has a lower threshold than part 2 matters.	The Working Group reviewed and noted the response
Reckon LLP	The difference is appropriate.	The Working Group reviewed and noted the response
Scottish Power Energy Retail Ltd (SPERL)	We understand that Part 2 matters do not require Authority approval and would therefore agree that greater assurance in the form of the 65% acceptance in each of the Party categories for Part 2 matters is appropriate. SPERL also believe that the 50% threshold for Part 1 matters appropriate given the Authority ultimately makes a decision.	The Working Group reviewed and noted the response
Southern Electric Power Distribution plc and Scottish Hydro Electric Power	We are satisfied with the existing arrangements.	The Working Group reviewed and noted the response

Distributi on plc		
UK Power Networks	Both options would be acceptable.	The Working Group reviewed and noted the response

Company	10. It was noted by the Working Group members that generally smaller parties do not participate as much within the DCUSA Change Process and voting as larger Parties; in the interests of good governance, the aim should be for all Parties to participate fully. The Working Group would like to understand if there are any reasons – such as finances, time constraints, resources – that make it more difficult for small Parties to participate and what will make it easier for them to engage? Please provide supporting evidence.	Working Group Comments
		The WG mainly consists of large Parties and most of the respondents to the consultation are large Parties therefore they are not in a position to give the reasoning behind the poor response by small Parties.
British Gas	N/A	The Working Group reviewed and noted the response
Electricity North West	As a Distributor we would not understand the difficulties that smaller parties are having so we are unable to comment on this. However the DCUSA Administrator should, as part of their role as a critical friend role approach, send out reminders closer to the deadline day.	The Working Group reviewed and noted the response
GTC	All of the suggested factors prohibit participation for smaller parties. DCUSA does not necessarily help itself with the process by allotting	The WG representative also mentioned that three weeks were given for comments on this consultation and only eight responses were

	enough time to parties for analysis of changes (See comments for question 12).	received. Therefore, additional time may not be helpful in improving response rates.
Northern Powergrid	No comment.	The Working Group reviewed and noted the response
Reckon LLP		The Working Group reviewed and noted the response
Scottish Power Energy Retail Ltd (SPERL)	N/A	The Working Group reviewed and noted the response
Scottish Power Energy Retail Ltd (SPERL)	Not at this time	The Working Group reviewed and noted the response
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution	N/A - for smaller parties to put forward their views.	The SSE representative also mentioned that a number of larger parties had not responded to the consultation for this CP therefore the issue regarding limited responses to CPs is not restricted to smaller parties.

on plc		
UK Power Networks	n/a	Noted.

Company	11. Could the text box located on the DCUSA voting form (Attachment 3) that asks Parties to comment about their vote discourage Parties from voting if they don't have a rationale behind their vote?	Working Group Comments
		<p>The consensus of the WG is that they would like to retain the text box on the DCUSA Voting Form, but it should be optional and this should be highlighted to respondents, so that respondents are not discouraged from voting. This should be sent to the DCUSA Panel for consideration.</p> <p>The Ofgem representative mentioned that the comments in the box are extremely useful in the decision-making process.</p>
British Gas	We believe parties should provide a rationale for their vote. This will help Ofgem when deciding on whether to approve or reject changes	The Working Group reviewed and noted the response
Electricity North West	The vote will still count even if this section is not completed but this may not be clear to the voting parties. On a Part 2 matter it has no influence whatsoever but on a Part 1 matter it can assist Ofgem in making their determination. Perhaps it needs to be made clearer that this is the case.	The Working Group reviewed and noted the response
GTC	It's possible that this may be discouraging parties to vote but as long as votes are accepted without a rationale and this is made clear to parties then it shouldn't be a barrier to participation.	The Working Group reviewed and noted the response

Northern Powergrid	Possibly.	The Working Group reviewed and noted the response
Reckon LLP	That piece of petty bureaucracy will hopefully not stop someone with a real interest in the matter from voting.	The Working Group reviewed and noted the response
Scottish Power Energy Retail Ltd (SPERL)	SPERL believe that in reference to clause 12.4.3 each Party should retain the right to vote without obligation to comment. Moreover until we can understand why small Parties are less engaged in the voting process, we should be mindful not to place any barriers that may discourage these Parties from voting.	The Working Group reviewed and noted the response
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	This may be a factor, but perhaps this box could be labelled as 'optional' if this is a genuine issue.	The Working Group reviewed and noted the response
UK Power Networks	No	The Working Group reviewed and noted the response

Company	12. Is a 2 week voting period sufficient, or is more time needed to ensure all Parties are able to vote? If not, what would be your preferred timescales?	Working Group Comments
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		<p>The WG agreed that a 3 week voting period should be used instead of a 2 week window to ensure that the opinion of more Parties could be captured, and this should be sent to the DCUSA Panel for consideration. For example, an expert in the field may be on holiday in the voting timetable making the time window challenging. This should be sent to the DCUSA Panel for consideration.</p> <p>It was also noted that if the change is urgent, the voting period used could be shorter.</p>
British Gas	We believe 3/4 weeks would be more appropriate to allow parties to circulate internally and obtain views	The Working Group reviewed and noted the response
Electricity North West	In the main yes, but it really depends on what other consultations are being considered at the time. Consideration needs to be given to certain holiday windows and complex changes when determining the amount of time available. We would be comfortable in moving to three weeks to make the process simpler with a view to four-six weeks for contentious/complex change proposals.	The Working Group agreed that the Panel should take a pragmatic view on this and consider the complexity of the change, holidays etc in order to set the voting period.
GTC	We believe that this value needs to be variable. 2 weeks can be a sufficient time to vote on an issue but some issues are more complex than others and may require more analysis as a result. We do not believe that the DCUSA Panel sufficiently analyses the timescales before approval of the timescale for voting. Under MDB it is a requirement to ensure that there is sufficient time for all issues to be analysed by parties. There has been occasion recently where there were 8 Change proposals due for voting by the same date. A two week voting period was allotted for all 8 change proposals. 6 of which required significant analysis before a conclusion could be drawn. It would have been more prudent to have staggered these	The Working Group reviewed and noted the response

	deadlines in light of this. Relating to my earlier comments regarding a greater role for the secretariat, again using MDB as an example the secretariat provides recommendations on the length of time an impact assessment is released for. MDB have the final say on how long an item is released for but ultimately the board is considerate of the amount of time it may take to review something rather than using a “stock” time period.	
Northern Powergrid	2 weeks is generally sufficient for us to form a view and gain appropriate internal approval, especially when you have actively participated in the working groups or participated in previous consultations.	The Working Group reviewed and noted the response
Reckon LLP	Two weeks is short. Three weeks might be better.	The Working Group reviewed and noted the response
Scottish Power Energy Retail Ltd (SPERL)	2 week period seems reasonable	The SPERL representative also mentioned that the 2 week period seems reasonable for the attendees of a working group, but for complex changes for people not involved in the WG, a longer timescale maybe needed. They are willing to be flexible on the timescale involved.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution	We feel this is an adequate and appropriate period.	The SSE representative agreed with the comments given above by the SPERL representative within the response above.

on plc		
UK Power Networks	2 weeks should be sufficient	The Working Group reviewed and noted the response

Company	13. Please provide your opinions on what works well with the DCUSA voting process, and also what you feel could be improved upon?	Working Group Comments
		The WG noted that the majority of respondents are satisfied with the current voting process with few suggestions for improvement.
British Gas	We are satisfied with the current voting arrangements. We agree that sometimes anomalies occur such as in the recommendation for DCP 195A but Ofgem have the discretion to ignore the Panel recommendation and take a wider view than the simple panel recommendation. Although this could leave Ofgem open to appeal if they do not decide in line with the Panel recommendation.	The Working Group reviewed and noted the response
Electricity North West	We see a need to encourage reminders to all parties especially when at the voting stage of a change, consider increasing the voting period to see if this improves responses and perhaps circulating to contract managers the monthly change register so that smaller parties are kept up to date with what is happening regarding changes to DCUSA.	The Working Group reviewed and noted the response
GTC		The GTC representative mentioned that they are satisfied with the current voting process, but the DCUSA voting time needs to be improved upon going forward in their opinion.
Northern	As stated in question 5 a specific aspect we like about the voting	The Working Group reviewed and noted the response

Powergrid	<p>arrangement DCUSA employs is that any party group (DNO/IDNO/Supplier/Generator) effectively has the right/ability to veto a change.</p> <p>The outcome is based on those that vote and therefore is generally based on a level of informed opinion.</p>	
Reckon LLP	<p>DCUSA voting is quite good. There are two unfortunate aspects which are within the scope of what can be fixed by DCUSA change proposals:</p> <p>#1. DCUSA has been over-extended through the incorporation of charging methodologies and national terms of connection. As a result, its current electorate does not represent the parties with a legitimate interest in DCUSA changes.</p> <p>#2. DCUSA processes are not transparent enough.</p> <p>DCP 214 could fix #1. DCP 211 can fix #2.</p>	<p>The WG agreed that point 1 is out of scope for this Change Proposal (CP). This CP's intent is only to address the voting process for DCUSA Parties. The WG also noted that with regards to point 2, DCP 211 has been raised and under consideration.</p>
Scottish Power Energy Retail Ltd (SPERL)	<p>I understand Q10 attempts to engage smaller suppliers however I believe that there may be value in reviewing related DCUSA processes to ensure continued best practice. In taking a holistic view of the Change Proposal process including Working group's we may discover what could be changed to encourage smaller parties to fully participate.</p> <p>The intent of DCP 210 is to look at more appropriate timetables and also touched on smaller party participation within the WG. We could perhaps take steps to simplify the process for these smaller Parties and in addition introduce CP summaries in a few paragraphs to assist with the understanding.. Furthermore a WG Member could be assigned to a smaller party to assist with understanding. The</p>	<p>The Working Group reviewed and noted the response</p>

	secretariat has confirmed that we have contact details for these parties perhaps an approach to these parties on an individual basis may ascertain more accurately the assistance they require and any barrier to engagement.	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Having considered alternative options, we are satisfied with the existing arrangements, other than the general lack of input to the process from a broader range of Parties.	The Working Group reviewed and noted the response
UK Power Networks	<p>There is a balance across the constituencies. Party voting is more representative than panel or change board voting. Everyone has the same opportunity to vote. No-one is forced to vote.</p> <p>The undue influence of a small number of votes within a category must be improved upon.</p>	The Working Group reviewed and noted the response

Company	Confidential/ Anonymous	14. Are there any alternative solutions or matters that should be considered by the Working Group for DCP 214?	Working Group Comments
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British Gas	Non-confidential	None identified	The Working Group reviewed and noted the response
Electricity North West	Non-confidential	<p>We found the consultation document was skewed to Part 1 matters, and no analysis associated with Part 2 matters. We can only assume that out of the 215 changes raised only four fall into the category that this change proposal is attempting to address and all four were subject to Part 1 matters where Ofgem made the decision.</p> <p>Without understanding the working group views it is difficult to assess the counter argument to our thoughts on the general objectives.</p> <p>We suspect that a further consultation will be required once the option/s chosen are developed further. Such a consultation needs to reflect the impact measured against each category of change raised i.e. impact on Part 1 and Part 2, how either option better facilitates the objectives and the legal text to support each option. Dependent upon which option is chosen the legal text could be quite substantial.</p>	The Working Group reviewed and noted the response
GTC	Choose an item.		The Working Group reviewed and noted the response
Northern Powergrid	Non-confidential	We like the current arrangement and the analysis shows that it gives a representative answer in the vast majority of cases. We do not support any of the options for change, but would highlight our suggestion at Q2.	The Working Group reviewed and noted the response
Reckon LLP	Non-confidential	Parties that are affected by a DCUSA change but are not DCUSA Parties should have an opportunity to vote. I have copied below	The Working Group (WG) agreed that this statement is out of scope for this Change Proposal (CP). This CP's intent is only to

	al	<p>a copy of my submission of 5 August 2014 to the DCP 214 working group on this matter.</p> <p>I do not think that the issues that I raised have been addressed yet.</p> <p>Comments on DCP 214 “Voting”</p> <p>by Franck Latrémolière on Tuesday 5 August 2014</p> <p>1. This submission is about DCP 214 “Voting”.</p> <p>The initial assessment process was too restricted</p> <p>2. The following parties are affected by DCUSA (this list might not be exhaustive):</p> <ul style="list-style-type: none"> (a) DCUSA Parties. (b) Potential new entrants into the electricity sector who might wish, or be required to, become DCUSA Parties. (c) Electricity customers and generators who are subject to the National Terms of Connection. (d) Current and potential electricity customers and generators who might wish to arrange for new or modified connections. (e) Electricity customers and generators who bear the economic consequences of the use of system charging methodologies (through competition 	<p>address the voting process for DCUSA Parties.</p> <p>It was mentioned that an attendee of the WG had responded to Reckon with regards to these points and considered them in this WG, and consider them out of scope.</p> <p>It was mentioned that a consultant had attended a DCUSA Panel meeting and was advised to raise a CP regarding voting by non-DCUSA Parties, and at present no CP has been raised.</p>
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		<p>between suppliers).</p> <p>(f) Potential new electricity customers and generators who might become subject to the National Terms of Connection, or who might be exposed to the effect of use of system charging methodologies.</p> <p>3. DCUSA governance is an essential part of DCUSA, and one of the main determinants of risks borne by any party who is affected by DCUSA. All the categories of parties listed above are affected by changes to DCUSA governance.</p> <p>4. The DCP 214 form explains that voting results are an important aspect of DCUSA Governance, even for Part 1 changes, because the voting result determines which forms of legal recourse are open to those dissatisfied with Ofgem's decision. I agree.</p> <p>5. I think that it was a mistake to advertise DCP 214, a proposal to make a material change to an important part of the DCUSA governance processes, only to the first category (i.e. a tiny minority) of affected parties in the list above.</p> <p>The proposed solution does not meet its intent</p> <p>6. The proposed solution for DCP 214 does not appear to meet its intent. The intent is "To ensure that the recommendation made to Ofgem of a Part 1 change or the outcome of a Part 2 change truly reflects the interests (voting or otherwise) of the parties".</p>	
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		<p>change truly reflects the interests (voting or otherwise) of the parties:</p> <ul style="list-style-type: none">(a) All steps of the assessment process of all DCUSA change proposals should be advertised on an unrestricted public website (configured with no restrictions on indexing by Internet search engines). (DCP 211 could help deliver this.)(b) A postal address, email address and a web form should be established to receive votes from interested parties at the same time as the DCUSA Party voting process. It should be clearly stated that DCUSA Parties are not entitled to use that system, and that accurate identification and contact details must be included with every vote.(c) The Secretariat should compile any votes received through this new system alongside the voting results, as a separate party category. All votes received through the new system should be assigned the same weight (same as for Gas Supplier Parties), which should be the lower of 20 per cent and one over the number of votes received through the new system.(d) Only in cases where the unweighted results for the new party category would be determinant of the overall result, the Secretariat should contact each of those who responded through the new system and make a basic check of their identity and authority (this could be simply sending an email to a corporate email address asking for confirmation	
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		<p>of the vote). Any unconfirmed or duplicated vote would be excluded at this stage.</p> <p>(e) The Part 1 recommendation to Ofgem or the Part 2 outcome would be calculated on the same basis in the solution in the DCP 214 form, with the new party category on the same footing as any other party category.</p> <p>The effect of these rules for a Part 1 change is that at least three objections from affected parties who are not DCUSA Parties would be needed to have any effect.</p>	
Scottish Power Energy Retail Ltd (SPERL)	Non-confidential	Not at this time	The Working Group reviewed and noted the response
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Not that we are aware of.	The Working Group reviewed and noted the response

UK Power Networks	Non- confidential	<p>Part 1 and Part 2 matters can be considered separately and have different options as the outcome in this change.</p> <p>Use of technology to make it easier to return a neutral response. This could be by using a voting button in the email. A higher response rate may be achieved if pressing one button would send a response to the Secretariat to state they do not intend to actively vote. This could be controlled by only accepting it from the Contract Manager or a specified alternate.</p> <p>Another consideration for increasing active voting could be to use the website to perform the task.</p> <p>Consideration may need to be given to the appeals process if voting arrangements change.</p>	<p>The WG discussed the use of optional online voting buttons to make it easier for Parties to vote and this would be this should be sent to the DCUSA Panel for consideration. It was noted that there would be a cost implication of this, and there must still be the current procedure as an option for voting, especially as two Parties are experiencing Internet issues.</p>
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