



DCUSA Change Report

DCP 207 - Amending Licence & DCUSA
Derogation Scope

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA and details DCP 207 'Amending Licence & DCUSA Derogation Scope'.
- 1.2 The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.
- 1.3 Parties are invited to consider the proposed amendments provided as Attachment A and submit votes using the form provided as Attachment B to dcusa@electralink.co.uk by **1 August 2014**.

2 BACKGROUND AND SUMMARY OF DCP 207 'NON-VETO OF DEROGATIONS'

- 2.1 DCP 207 has been raised by ESP Electricity Ltd. The Change Proposal (CP) seeks to widen the scope and amend the wording of Clause 56 to reflect the fact that the Authority may grant a derogation from the Licence to any licensed party who is a Party to the DCUSA and not just a distributor requesting derogation from charging methodologies as is currently worded.
- 2.2 This change enables an Authority approved licence derogation that also applies to a derogation from the DCUSA Agreement itself to cover all licensed parties and not just the Distributor in relation to charging methodology as it is currently worded. It therefore future proofs DCUSA for subsequent Authority approved Licence derogations that affect the Agreement and Parties to the DCUSA.
- 2.3 Additional details on the proposed change can be found in the CP form provided as Attachment 3.

3 DCP 207 WORKING GROUP

- 3.1 The DCUSA Panel established a Working Group to assess DCP 207. This Working Group consists of DNO, IDNO and Ofgem representatives. One Working Group meeting took place and was held in an open session and the minutes and papers for that meeting are available on the DCUSA website – www.dcusa.co.uk. During this Working Group meeting it was decided by the members that a consultation for DCP 207 was not necessary as the change to the legal text is minor and not contentious.

4 PROPOSED LEGAL DRAFTING

- 4.1 The DCP 207 legal drafting proposes to amend the DCUSA Clause 56.
- 4.2 The legal text for DCP 207 has been reviewed by the DCUSA legal advisors and is provided as Attachment 1.

5 ASSESSMENT AGAINST THE DCUSA OBJECTIVES

- 5.1 DCP 207 has been assessed against the DCUSA Objectives:
- Objective 1¹ – No Impact.
 - Objective 2² – No Impact.
 - Objective 3³ – No Impact.
 - Objective 4⁴ – Better Facilitated. The Agreement is better implemented and administered as it removes any ambiguity as to Authority licensee derogation approvals also being a derogation approval for the DCUSA Agreement.
 - Objective 5⁵ – No Impact.

6 IMPLEMENTATION

- 6.1 DCP 207 is classified as a Part 1 matter and therefore will go to the Authority for determination after the voting process has completed.
- 6.2 The proposed implementation date for DCP 207 is the first release following Party approval.

7 IMPACT ON GREENHOUSE GAS OMISSIONS

- 7.1 No material impacts on greenhouse gas emissions from the implementation of this CP have been identified.

8 PANEL RECOMMENDATION

¹ The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System

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 each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.

⁴ The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.

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.

8.1 The DCUSA Panel approved the DCP 207 Change Report at its meeting on 16 July 2014.

8.2 The timetable for the progression of the Change Proposal is set out below:

Activity	Date
Change Report approved by DCUSA Panel	16 July 2014
Change Report Issued for Voting	18 July 2014
Party Voting Closes	1 August 2014
Change Declaration Issued	5 August 2014
Authority Decision	9 September 2014
Implementation	Next DCUSA Release following Authority Approval

8.3 Parties are invited to vote using the Form provided as Attachment 2.

9 ATTACHMENTS:

- Attachment 1 – DCP 207 Proposed Legal Drafting
- Attachment 2 - DCP 207 Voting Form
- Attachment 3 – DCP 207 Change Proposal