

DCUSA DCP 203 Consultation responses – collated comments

Company	Confidential/ Anonymous	1. Do you agree with the intent of DCP 203?
Electricity North West	Non-confidential	No
ESP Electricity Ltd	Non-confidential	Yes.
GTC	Non-confidential	Yes
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd. and Northern Powergrid (Yorkshire) plc	Non-confidential	We agree with the original intent of this change to rationalise LDNO UMS charges in so far as it seeks to reduce potentially unnecessary administrative costs. However the current proposed solution has a detrimental impact on cost-reflectivity which needs to be carefully justified.
Southern Electric Power Distribution, Scottish Hydro Electric Power Distribution	Non-confidential	<p>We understand the perceived reduction in administration burden for UMS customers that connect to EDNOs should the CP be approved. However it is not clear whether the potential benefit to customers would outweigh the complexity and loss of cost reflectivity that would result from implementation of it.</p> <p>Although the impact analysis shows little effects to revenues, the figures in the analysis do not seem to be robust and we do not feel that we can rely on the information provided to inform our view.</p>
SP Distribution and SP Manweb	Non-confidential	Yes.

UK Power Networks	Non-confidential	We do, in so far as the current arrangements, with multiple LDNO discount factors applied to UMS connections, should be reconsidered to establish whether there is a revised method which would better meet the charging objectives.
WPD	Non-confidential	yes

Company	Confidential/ Anonymous	2. Do you agree with the principles of DCP 203?
Electricity North West	Non-confidential	<p>No. As we stated in our response to the previous consultation, we believe this change proposal reduces cost reflectivity and is potentially anti-competitive. We do not believe these issues have been addressed since the last consultation. A copy of the previous comments are below:</p> <p>We believe this DCP will result in the wrong tariff being applied to some UMS customers and consequently will result in a cross subsidy between groups of customers.</p> <p>It will also potentially discriminate between LDNOs by applying lower tariffs to LDNOs where the majority of the UMS connections are HV compared to those where the majority of UMS connections are LV. This will provide an LDNO with a majority of HV connected UMS customers with a competitive advantage and therefore distort competition between distributors.</p>
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ESP Electricity Ltd	Non-confidential	Yes.
GTC	Non-confidential	Yes
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd. and Northern Powergrid (Yorkshire) plc	Non-confidential	We agree with the principles but we are unable to determine whether the proposed solution is the best way in which to approach the underlying issue. We believe that the issue this change seeks to resolve has not been quantified so it is difficult to justify the negative impact on cost-reflectivity. The proposed solution will not directly tackle the perceived underlying issue of allegedly high MA and/or supplier charges.
Southern Electric Power Distribution, Scottish Hydro Electric Power Distribution	Non-confidential	No, we believe that allowing the customer to 'pick and choose' between options is not appropriate and creates additional complexity. As the CP currently stands, it would be difficult in future to readily determine the network level to which each UMS connection is connected.
SP Distribution and SP Manweb	Non-confidential	Yes.
UK Power Networks	Non-confidential	Yes
WPD	Non-confidential	Yes we agree with the principles but it is the application we have some concern over. In particular the data received by DNOs, is likely to be less granular as we go through time as the data will be aggregated across voltage levels.

Company	Confidential/ Anonymous	3. Do you have any comments on the proposed legal text? Provide supporting comments.
Electricity North West	Non-confidential	We have no comments on the legal text
ESP Electricity Ltd	Non-confidential	No additional comments.
GTC	Non-confidential	We are supportive of the legal text as drafted
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd. and Northern Powergrid (Yorkshire) plc	Non-confidential	Not at this time.
Southern Electric Power Distribution, Scottish Hydro Electric Power Distribution	Non-confidential	No.
SP Distribution and SP Manweb	Non-confidential	No.
UK Power Networks	Non-confidential	We are comfortable with the legal text as proposed as a result of this proposal.

WPD	Non-confidential	We are not convinced that the text is prescriptive enough in how the IDNO UMS should be treated; it seems to refer to what not to do but not how to do the calculation.
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Company	Confidential/ Anonymous	4. Are there any alternative solutions or matters that should be considered by the Working Group?
Electricity North West	Non-confidential	No
ESP Electricity Ltd	Non-confidential	Whilst the CP does address the problem that UMS customers experience with additional costs incurred for UMS MPANs (particularly with regards to Pseudo-HH UMS) it does not remove the issue entirely. UMS customers will appreciate Ofgem's assistance in helping the industry agree a change that will address the issue fully.
GTC	Non-confidential	No
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd. and Northern Powergrid (Yorkshire) plc	Non-confidential	We believe that there has not been sufficient analysis into the charges currently being levied against UMS customers by MAs and suppliers; if these charges could be reduced through other means then the aim of the CP to lower administration costs would be achieved without sacrificing the cost-reflectivity of Use of System tariffs.
Southern Electric Power Distribution, Scottish Hydro Electric Power Distribution	Non-confidential	No.
SP	Non-confidential	SPEN agree that that this proposal is a positive step forward and will reduce the need for MPANs to

Distribution and SP Manweb		be created. Notwithstanding this, SPEN confirm that for our Network area, the volume of MPANs in practice, as evidenced in our previous responses, comes nowhere near the suggested volume of 'potential' MPANs, as described in Section 2.4 and 2.5 of the DCP 203 Consultation Final.
UK Power Networks	Non-confidential	Although we can understand why this change has been proposed we continue to have a concern regarding the reduction in the cost reflective nature of the charges as a result of this change proposal. In that by applying a 'default' voltage of connection for all UMS customers on an LDNOs network the charge from a DNO to an LDNO will end up being slightly higher (or lower) than should be the case if charged under the current arrangements, which reduces the cost reflective nature of the charges. It is therefore questionable as to whether the DCUSA objectives are better facilitated by this change.
WPD	Non-confidential	no