



DCUSA CONSULTATION

DCP 198 – Align the PCDM Model with the Legal Text

1 PURPOSE

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors and electricity Suppliers and large Generators.
- 1.2 Parties to the DCUSA can raise a DCUSA Change Proposal (“DCP”) to amend the Agreement. DCPs should better facilitate the DCUSA General Objectives and/or Charging Objectives of the DCUSA document.
- 1.3 Amendments to DCUSA may only be made with the consent of a majority proportion of Parties to the DCUSA, through a voting process, or (where applicable) the Gas and Electricity Markets Authority.¹
- 1.4 When a DCP is raised, a Working Group is established to assess and develop the proposal in consultation with industry parties and other interested parties.
- 1.5 This document is a consultation issued in accordance with Clause 11.14 of the DCUSA and seeks industry views on Change Proposal DCP 198 – Align the PCDM Model with the Legal Text.
- 1.6 The Consultation has been issued to DCUSA Parties and Ofgem.
- 1.7 Parties are invited to consider the Change Proposal detailed in this consultation and submit comments using the form attached as Attachment B to dcusa@electralink.co.uk by **21 February 2014**.

¹ For more information about GEMA visit the Ofgem website: <http://www.ofgem.gov.uk/TheAuthority>

2 INTENT OF DCP 198 – ALIGN THE PCDM MODEL WITH THE LEGAL TEXT

- 2.1 DCP 198 has been raised by UK Power Networks the intent is to align the Price Control Disaggregation Model (PCDM) and the relevant legal text as laid out within DCUSA Schedule 16, Clauses 96 to 125.
- 2.2 The Proposer explains that this CP will benefit the work of DCUSA Parties by removing any difference between the legal text and the PDCM. It will work to ensure that Parties can be confident that the design of the model reflects the wording in the Agreement.

3 DCP 198 – WORKING GROUP CONSIDERATIONS

- 3.1 The Working Group is comprised of Distributor, IDNO and Ofgem representation; it is noted that all DCUSA Parties were invited to attend the Working Group.
- 3.2 The Working Group noted that the Proposer had explained that following the appointment of a consultant to undertake the modelling work for DCUSA charging methodology changes, a number of inconsistencies have been identified between the legal text as defined within DCUSA Schedule 16 and the current published DCUSA PCDM model; which was brought under the governance arrangements following the approval of DCP 129². As the legal text was not revised for DCP 129 it was felt reasonable to assume that it is the PCDM model which needs to be revised in order to bring it into line with the legal text. However one member of the Working Group felt strongly that it was the legal text which needed to be revised rather than the PCDM model.
- 3.3 The Working Group reviewed the proposed intent and business justification of DCP 198 as submitted by the Proposer and agreed that both these two options could be used to progress the CP further: Option 1 - Amend the PCDM to match the legal text as set out in the DCUSA, or Option 2 - Amend the legal as set out in the DCUSA to match the PCDM.
- 3.4 The Working Group agreed that this is a question that should be posed to DCUSA Parties in order to garner a wider opinion on the preferred option to progress before any work is started on the assessment of the CP.

² Bringing the CDCM Price Control Disaggregation (Method M) under the DCUSA Open Governance Framework

4 CONSULTATION

4.1 Parties are asked to consider the intent and impacts of the two options as set out by the Working Group of DCP 198 and answer the following consultation questions:

1. Do you agree with the intent of DCP 198?
2. Do you agree with the principles of DCP 198?
3. Do you think that the Working Group should progress with Option 1 - Amend the PCDM to match the legal text as set out in the DCUSA? Please provide supporting comments of why you agree or disagree with this option.
4. Do you think that the Working Group should progress with Option 2 - Amend the legal as set out in the DCUSA to match the PCDM? Please provide supporting comments of why you agree or disagree with this option.
5. Are there any alternative solutions or matters that should be considered by the Working Group?

4.2 The Consultation response form (Attachment B) should be submitted to dcusa@electralink.co.uk no later than **21 February 2014**. Parties are asked to provide as much relevant detail as possible to enable the Working Group to understand the comments and the reasons behind them.

4.3 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

5 NEXT STEPS

5.1 Following the end of the consultation period the Working Group will meet to review and consider the responses. The DCP 198 will then progress the preferred option and continue its work developing and analysing the CP.

5.2 If you have any questions about this paper or the DCUSA Change Process or would like to participate in the Working Group please contact the DCUSA Help Desk by email to dcusa@electralink.co.uk or telephone 020 7432 3014.

6 ATTACHMENTS

- Attachment A – DCP 198 Align the PCDM Model with the Legal Text
- Attachment B – Response Form