

DCUSA DCP 190 & DCP 190A Consultation Responses – Collated Comments

Question One	Do you understand the intent of DCP 190 and DCP 190A?	Working Group Comments
Electricity North West	Yes	Noted.
Major Energy Users' Council	Yes	Noted.
Northern Powergrid (Northeast and Yorkshire)	Yes	Noted.
Power Data Associates Ltd	Yes	Noted.
Premier Energy Services Ltd.	Yes	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power	Yes	Noted.

Distribution plc		
SP Distribution & SP Manweb	Yes	Noted.
UK Power Networks	Yes	Noted.
Western Power Distribution	Yes	Noted.
Question Two	Do you agree with the principles of DCP 190 and DCP 190A?	Working Group Comments
Electricity North West	Yes	Noted.
Major Energy Users' Council	Yes, 190 is a positive step towards clarifying the position. 190A provides further consistency to ensure all networks adopt the same approach.	Noted.
Northern Powergrid (Northeast and Yorkshire)	We are supportive of DCP190 only.	Noted.
Power Data Associates Ltd	Yes	Noted.
Premier Energy	Yes	Noted.

Services Ltd.		
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	We support the principles of DCP190 but not DCP190A.	Noted.
SP Distribution & SP Manweb	Yes	Noted.
UK Power Networks	Yes	Noted.
Western Power Distribution	We are supportive of DCP 190 only	Noted.
Question Three	Do you agree that customers should receive a credit for the value of any equipment recovered by DNOs that can subsequently be reused after the termination of a temporary connection?	Working Group Comments
Electricity North West	Yes in principle. Any credit would be on recovery of the equipment, may include a reduction for depreciation and would be net of any	Noted.

	removal costs and required refurbishment costs to allow the equipment to be re-used.	
Major Energy Users' Council	Yes, this is in many ways the only open and equitable solution where a DNO is able to re-use nearly-new equipment paid for by a customer.	Noted.
Northern Powergrid (Northeast and Yorkshire)	Yes, but only if there is a credit once depreciation, removal and refurbishment costs have been considered.	Noted.
Power Data Associates Ltd	Yes	Noted.
Premier Energy Services Ltd.	Yes	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Where normal circumstances apply to a connection which was identified as being on a temporary basis at the time of provision (see further comments in Q6 below) we agree with this general principle.	Noted. Refer to Working Group response to Question 6.
SP	We agree that customers should receive a credit for the value of	Noted.

Distribution & SP Manweb	equipment recovered and subsequently reused by DNOs, subject to the qualification that the credit takes account of depreciation, maintenance and any other relevant expenses incurred by the DNO.	
UK Power Networks	If the customer has been charged for the full value of a temporary connection upfront then it is reasonable that they should receive a credit for the residual value where appropriate.	Noted.
Western Power Distribution	Yes only where electrical plant can be refurbished	Noted. WPD clarified that the credit would be dependent on the Electrical Plant being reusable.
Question Four	Do you consider that the word “may” should be changed to the word “will” in proposed clause 1.33?	Working Group Comments
Electricity North West	No. There are circumstances where no credit will be appropriate eg the costs of refurbishing the equipment for reuse are greater than the depreciated value of the asset. Therefore the use of “may” rather than “will” is more appropriate.	Noted. All Working Group members consider that the DNO should be required to make an assessment in every circumstance. There is an agreement where appropriate the credit should be made. There are different views on the exact drafting (e.g. use of the words will or may).
Major Energy Users’ Council	Yes, absolutely as it removes the ambiguity that would exist using the word ‘may’. There needs to be absolute consistency for customers, regardless of where they are in the country. A major objective of the CCCM (and the 2010 connection standards) is to create consistency across all licence areas, so inserting anything other than “will” goes against that intention.	Noted. The Working Group refers to the answer provided to ENWL above. Working Group members were reminded that the intention of this Change Proposal is not to define how this is undertaken. Each DNO has a common methodology and a specific methodology. The common methodology is covered by DCUSA and the specific methodology by Ofgem.
Northern	No.	Noted.

Powergrid (Northeast and Yorkshire)		
Power Data Associates Ltd	The word 'will' should be used. The word 'may' could enable some DNOs to ignore the change completely and provide no rebate	The Working Group refers to the answers provided above.
Premier Energy Services Ltd.	Yes	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No. As there may be situations which should reasonably be treated as exceptions to the generality, it is appropriate that the word 'may' is used in clause 1.33 rather than 'will'.	The Working Group refers to the answers provided above.
SP Distribution & SP Manweb	We do not consider it appropriate for the word "may" to be replaced by the word "will". Such replacement raises unrealistic expectations that a credit will be provided in every circumstance, i.e. a credit may not be appropriate in circumstances where the DNO's costs outweigh the depreciated value of the assets.	The Working Group refers to the answers provided above.
UK Power Networks	No, there are circumstances when it would not be reasonable such as very low values where the value is not worth the administrative	The Working Group refers to the answers provided above.

	costs of making a payment, where the cost is offset against debt by the customer, etc. Using the word “may” avoids the need for more complex arrangements such as having a de minimis limit on the value to be paid. This also better reflects that a payment would only be made for equipment which can be re-used.	
Western Power Distribution	No	Noted.
Question Five	Do you consider that inserting the word “will” as opposed to the word “may” in to proposed clause 1.33 ensures consistency of treatment by DNOs of the provision of credit for equipment recovery associated with Temporary Connections to customers under the Common Connection Charging Methodology?	Working Group Comments
Electricity North West	We believe that all DNOs intend to provide some level of credit, should this change be enacted. Whilst there may be some difference between DNOs in terms of how they calculate the credit (due to different policies relating to use for equipment etc), DNOs will need to apply their own policy on a consistent basis. DNOs have other non-discrimination obligations that will require this.	Noted.
Major Energy Users’ Council	We believe this change will eventually drive consistency and we recognise that not all networks are in the same position now. Adopting the word “will” provides a clear position of where networks need to be and the impetus for them to work towards it.	Noted.
Northern Powergrid (Northeast and	No, as the word “will” implies that a credit will happen every time and in all circumstances (which would be incorrect) and so the inclusion of ‘will’ would be misleading. The word “may” recognises that there will be times when a credit will not be provided.	Noted.

Yorkshire)		
Power Data Associates Ltd	Yes	Noted.
Premier Energy Services Ltd.	Yes, hopefully.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No – the main effect of this proposal would be to potentially rule out otherwise valid and reasonable exceptions. In addition, as there a number of subjective elements to the principles of either version of this clause (e.g. condition assessment, ability to be re-used by the DNO, etc.) it is unlikely that absolute consistency could be achieved in any event.	Noted.
SP Distribution & SP Manweb	We consider the insertion of the word “will” has unintended consequences not considered in its development (see response to Q4).	Noted.
UK Power Networks	While the use of the word “will” would ensure all DNOs make payments it would also add an obligation that a payment must always be made, even when not appropriate as shown in Q4.	Noted.
Western Power Distribution	The use of the word “will” imposes obligations on the DNO to make a refund in all circumstances. In circumstances where the equipment is obsolete it would not be appropriate to make a	Noted.

	refund.	
Question Six	Do you have any comments on the proposed legal text for DCP 190 and DCP 190A?	Working Group Comments
Electricity North West	No	Noted.
Major Energy Users' Council	We note the concern from panel members about building a false expectation of payment and suggest a simple solution: We would advise ensuring the text gives equal weight and prominence to the proviso that equipment must be up to 5years old AND is re-usable. As long as these conditions are clearly stated, there should not be any customer misunderstanding.	Noted. The Working Group considers that adding any age restriction of the equipment would be detrimental. The temporary connection would be up to 5 yrs old but there should be nothing in the CCCM limiting the age of equipment. It would be inappropriate if a DNO was not permitted to make a refund payment where the connection was five years old but the equipment is six years old.
Northern Powergrid (Northeast and Yorkshire)	<p>Clause 1.33 is already clear and states that customers “will not receive any credit for the value of any equipment recovered”. The proposed wording under DCP190 will allow those DNOs who currently provide a credit to comply with the methodology and take into consideration circumstances where a credit is not appropriate.</p> <p>DCP190A could, if approved, convey the impression to customers that they will always receive some form of credit in all cases where equipment recovered by DNOs and can subsequently be reused.</p> <p>DCP190 recognises that, as a temporary connection is defined in the methodology as “connections that are only required for a period of up to five years” there will be circumstances where a credit will not be given, for example:</p> <ul style="list-style-type: none"> the equipment may be scrapped after removal; the residual value after depreciation, removal costs and 	<p>Noted.</p> <p>Some Working Group members disagree as there is no drafting which states that a credit will have to be given.</p>

	<p>refurbishment may not result in a credit; or</p> <ul style="list-style-type: none"> the equipment recovered may not comply with the latest specifications and may not be reusable. 	
Power Data Associates Ltd	The wording could be changed to include a: "...‘de-minimis’ level as set by the Panel from time to time." Say at £1000 as the cost/hassle of repaying a small value is disproportionate to the admin. Any monies not reimbursed, should be added to income of customer contributions, or something similar – not DNO profit.	The Working Group considered that any de-minimis level would be within the remit of the DNO to set but not the DCUSA Panel.
Premier Energy Services Ltd.	No	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	<p>We generally agree with and support the text associated with DCP190, as per paragraph 5.1 of the Change Report.</p> <p>However, we believe that to it would be appropriate to take the opportunity to improve the definition of ‘Temporary Connection’ in paragraph 1.19 of Schedule 22 of DCUSA. Our view is that this definition should make it clear that this term only refers to connections which are identified as temporary at the time of their provision and do not refer to connections which become redundant under other circumstances, or assets which become subject to removal/replacement on provision of an upgrade, within the 5 year period.</p> <p>We also believe that it would be helpful to give some clarity to who would be entitled to a credit under these provisions and we suggest that this should be on similar lines to the EECR using the established ‘original contributor’ principles.</p>	<p>Noted.</p> <p>The Working Group considered that this comment is worth considering but out of scope of this CP.</p> <p>The Working Group considered that this comment is worth considering but out of scope of this CP.</p>

	We do not agree with or support the text associated with DCP190A, as described in paragraph 5.2 of the Change Report.	Noted.
SP Distribution & SP Manweb	We have none.	Noted.
UK Power Networks	As the proposed text is drafted, the use of the word “will” would be inappropriate.	Noted.
Western Power Distribution	Further discussion is required relating to the depreciation. Is it appropriate for a maximum life of 5 years	Noted. It would be appropriate for each DNO to undertake this calculation. This Change Proposal has no intention to change the definition of a temporary connection.
Question Seven	<p>Do you consider that the proposals (DCP 190 & DCP 190A) better facilitates the DCUSA General objectives? Please give supporting reasons.</p> <ol style="list-style-type: none"> 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 with that) the promotion of such competition in the sale, distribution and purchase of electricity. 3. The efficient discharge by each of the DNO Parties and 	Working Group Comments

	<p>IDNO Parties of the obligations imposed upon them by their Distribution Licences.</p> <p>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</p> <p>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.</p>	
Electricity North West	We believe Item 2 above better facilitates a consistent approach.	Noted. Following discussions the Working Group agreed that DCUSA General Objective three is better facilitated by this change.
Major Energy Users' Council	N/A	Noted.
Northern Powergrid (Northeast and Yorkshire)	<p>DCP190 better facilitates General Objective 1 in that the common connection charging methodology supports the obligation under section 9 of the Act in providing appropriate economic signals via a consistent application.</p> <p>We do not believe that DCP190A better facilitates General Objective 1 as the use of the term "will" could imply that a credit will be</p>	Noted. Following discussions the Working Group agreed that DCUSA General Objective three is better facilitated by this change.

	provided in all cases and this does not provide an appropriate economic signal.	
Power Data Associates Ltd	N/A	Noted. Following discussions the Working Group agreed that DCUSA General Objective three is better facilitated by this change.
Premier Energy Services Ltd.	Yes, allows for better cost reflectivity of the temporary supplies.	Noted. Following discussions the Working Group agreed that DCUSA General Objective three is better facilitated by this change.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	See Q8 below.	Noted. Following discussions the Working Group agreed that DCUSA General Objective three is better facilitated by this change.
SP Distribution & SP Manweb	We consider that DCUSA General Objective 3 is better facilitated, specifically with reference to Licence Condition 13, (Relevant Objectives) 13.3(c).	Noted. Following discussions the Working Group agreed that DCUSA General Objective three is better facilitated by this change.
UK Power Networks	We believe that this change is neutral for the General Objectives	Noted. Following discussions the Working Group agreed that DCUSA General Objective three is better facilitated by this change.
Western Power	DUCUSA Charging Objective 1 is better served by this change making all DNOs offer a credit for the value of any equipment recovered	Noted. Following discussions the Working Group agreed that DCUSA General Objective three is better facilitated

Distribution	where appropriate.	by this change.
<p>Question Eight</p>	<p>Do you consider that the proposals (DCP 190 & DCP 190A) better facilitates the DCUSA Charging objectives? Please give supporting reasons.</p> <ol style="list-style-type: none"> 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 	<p>Working Group Comments</p>

	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.	
Electricity North West	<p>DCUSA Charging Objective 1 is better facilitated by this change as a current practice exists where some DNOs offer a credit for the value of any equipment recovered by DNOs that can subsequently be reused. This change ensures that this practice is in compliance with the charging methodology within the meaning of standard condition 13.</p> <p>DCUSA Charging Objective 3 is better facilitated by this change as by providing the Customer with a credit for the reusable equipment it better reflects the cost of the connection.</p>	Noted. The Working Group agrees that objectives 1 and 3 are better facilitated by the DCP 190 Change Proposal. The Working Group is not in agreement on whether objectives 1 and 3 are better facilitated by the DCP 190A Change Proposal.
Major Energy Users' Council	N/A	Noted.
Northern Powergrid (Northeast and Yorkshire)	<p>DCP190 better facilitates Charging Objective 1 as this will improved clarity within the common connection charging methodology and will help ensure a more consistent application of relevant licence conditions (SLC13, SLC14).</p> <p>DCP190 better facilitates Charging Objective 3 as this will more accurately reflect the costs incurred by the business by providing the Customer with a credit for the reusable equipment, in certain circumstances, which better reflects the cost of the connection.</p>	Noted. The Working Group agrees that objectives 1 and 3 are better facilitated by the DCP 190 Change Proposal. The Working Group is not in agreement on whether objectives 1 and 3 are better facilitated by the DCP 190A Change Proposal.

	<p>We do not believe that DCP190A better facilitates General Objective 1 as the methodology is already clear that the customer “will not receive any credit for the value of any equipment recovered”.</p> <p>We do not believe that DCP190A better facilitates General Objective 3 as the use of the term “will” cannot result in charges which reflect the costs incurred, or reasonably expected to be incurred, by the Business if there are clear circumstances where a credit is not appropriate such as those given in response to question 6.</p>	
Power Data Associates Ltd	N/A	Noted.
Premier Energy Services Ltd.	Yes but I can see issues of how each DNO calculates the rebates in relation to refurbishment and recovery costs. This may need further investigation after a period of time.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	We agree with the analysis in the Consultation with regard to Charging Objectives 1 and 3.	Noted. The Working Group agrees that objectives 1 and 3 are better facilitated by the DCP 190 Change Proposal. The Working Group is conscious that this response is silent on whether it refers to either the DCP 190 or DCP 190A Change Proposal or both.
SP Distribution	We agree with the Working Group’s assessment of the DCUSA Charging Objectives, namely that objectives 1 and 3 are better	Noted. The Working Group agrees that objectives 1 and 3 are better facilitated by the DCP 190 Change Proposal.

& SP Manweb	facilitated.	The Working Group is not in agreement on whether objectives 1 and 3 are better facilitated by the DCP 190A Change Proposal.
UK Power Networks	We agree that DCP 190 better facilitates Charging Objectives 1 and 3 in line with the Working Group.	Noted. The Working Group agrees that objectives 1 and 3 are better facilitated by the DCP 190 Change Proposal.
Western Power Distribution	DUCUSA charging Objective 3 is better facilitated by this change, it provides the customer with a credit where equipment can be reused. It will better reflect the cost of the connection.	Noted. The Working Group agrees that objectives 1 and 3 are better facilitated by the DCP 190 Change Proposal. The Working Group is not in agreement on whether objectives 1 and 3 are better facilitated by the DCP 190A Change Proposal.
Question Nine	Are you supportive of the proposed implementation date of DCP 190 and DCP 190A as the next DCUSA release following Authority consent?	Working Group Comments
Electricity North West	Yes	Noted.
Major Energy Users' Council	Yes we are.	Noted.
Northern Powergrid (Northeast and Yorkshire)	Yes	Noted.
Power Data	N/A	Noted.

Associates Ltd		
Premier Energy Services Ltd.	Yes	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Yes.	Noted.
SP Distribution & SP Manweb	We are supportive.	Noted.
UK Power Networks	Yes	Noted.
Western Power Distribution	Yes	Noted.
Question Ten	Are there any alternative solutions or matters that should be considered by the Working Group?	Working Group Comments

Electricity North West	No	Noted.
Major Energy Users' Council	No.	Noted.
Northern Powergrid (Northeast and Yorkshire)	No	Noted.
Power Data Associates Ltd	N/A	Noted.
Premier Energy Services Ltd.	Give a discount in the first instance for anticipated recovery of plant so that rebates are not necessary.	Noted. This is outside of the scope of this Change Proposal.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Other than the comments made in Q6, which are for consideration by the Working Group, we have no further points to raise.	Noted.
SP Distribution	None.	Noted.

& SP Manweb		
UK Power Networks	No	Noted.
Western Power Distribution	No	Noted.