

DCUSA DCP 190 and DCP 190A Consultation Two Responses – Collated Comments

Company	Confidential?	Question One: Do you have any comments on the proposed DCP 190 legal text?	Working Group Response
Redacted ¹			
Northern Powergrid	Non-Confidential	No	Noted.
PowerCon UK LTD.	Non-Confidential	Please see the response made within Question 3 below	The Working Group responded to the respondent at question three.
Power Data Associates	Non-Confidential	Hard to get excited about this CP. To the point when I was not going to bother responding.	Noted.
SP Manweb and SP Distribution	Non-Confidential	We are supportive of the proposed DCP190 legal text.	Noted.
Western Power Distribution	Non-Confidential	We understand the legal text seeks to allow the DNO to provide the customer with a refund when assets are recovered that may be reused following the disconnection of a temporary connection. It also imposes a de-minimus level for making the refund based on net value following depreciation, removal and refurbishment. The proposal to allow the DNO to make a refund under this scenario is to be welcomed.	Noted.
UK Power Networks	Non-Confidential	No	Noted.
Company	Confidential?	Question Two: Do you have any comments on the proposed DCP 190A legal text?	Working Group Response
Redacted			
Northern Powergrid	Non-Confidential	No	Noted.

¹ One respondent submitted a confidential response to consultation two to be viewed by the Working Group and Ofgem only. This respondent has allowed for a summary of their response to be contained within the Change Report itself.

PowerCon UK LTD.	Non-Confidential	We are of the opinion that the legal text is both definitive and adequate.	Noted.
Power Data Associates	Non-Confidential	No	Noted.
SP Manweb and SP Distribution	Non-Confidential	We consider the revised drafting of the proposed DCP190A legal text to be an improvement on the previous DCP190A proposal in that it removes the potential impression that a credit is due in every case.	Noted.
Western Power Distribution	Non-Confidential	We understand the legal text serves the same purpose as for DCP190 excepting that it does not allow for a de-minimus level for making a refund.	Noted.
UK Power Networks	Non-Confidential	We are concerned that without a de-minimus provision this would lead to the electricity distributor being sometimes required to make payments that would be administratively burdensome for both DNOs and customers alike and serve little purpose.	Noted.
Company	Confidential?	Question Three: Do you have a preference for the DCP 190 proposed legal text or the DCP 190A proposed legal text? Please provide your reasoning.	Working Group Response
Redacted			
Northern Powergrid	Non-Confidential	DCP190 is our preferred option as it recognises that there will be circumstances where there may be a net value from recovered equipment but it is uneconomical to provide a refund. DCP190 make this clearer for customers.	Noted.
PowerCon UK LTD.	Non-Confidential	<i>We confirm that we prefer DCP 190(A) in preference to DCP 190 for the following reasons : We do not consider that DCP 190 is in any way appropriate or adds clarity or transparency to the issue. We do not consider that there is any justification for supporting a de-minimus value. We do not consider that DCP 190 defines the circumstances under which a de-minimus value would apply : i.e would the de-minimus value cover :</i>	The Working Group agreed that under the DCP 190 change the refund would be provided net of depreciation, removal and refurbishment costs but it is subject to a De-minimus value to minimise occasions where the value of the payment is lower than the administrative costs to process it.

		<ul style="list-style-type: none"> • <i>the total costs of the dismantlement works or</i> • <i>the administrative cost associated with the refund or</i> • <i>simply the cost of processing the refund.</i> <p><i>It is of note that each of the above scenarios has not been defined within the debate or the DCP and has the the potential to significantly vary any de-minimus value.</i></p> <p><i>We challenge the benefit to the customer of the DNO employing a de-minimus value.</i></p> <p><i>We also question the fact that this creates a precedence within the Charging Statements.</i></p> <p><i>We also question the fact that, should this de-minimus value be allowed, would it also be acceptable for customers to also employ a de-minimus value on 'small amounts' due to the DNO's?</i></p>	<p>The Working Group believes that both DCPs are clear on their intent and how they will be operated in practice.</p> <p>The Working Group noted the point but considered it to be outside of the scope of both DCPs.</p>
Power Data Associates	Non-Confidential	DCP190A	Noted.
SP Manweb and SP Distribution	Non-Confidential	We have a preference for the proposed DCP190 legal text.	Noted.
Western Power Distribution	Non-Confidential	Our preferred option is DCP 190 that allows the DNO to set a de-minimus level for making a refund. There will be an administrative cost involved when organising a refund although this cost is hard to quantify. If DCP190A was employed the DNO could end up making some very small refunds. It does not seem good practice to provide a refund to the customer where the cost of processing the refund is higher than the refund value.	Noted.
UK Power Networks	Non - Confidential	We prefer the DCP190 proposed legal text as it allows the electricity distributor to set a reasonable de-minimus value below which no payment would apply.	Noted.
Company	Confidential?	Question Four: Do you consider it reasonable to accept the principle of a de-minimus value? Please provide your reasoning.	Working Group Response
Redacted			

Northern Powergrid	Non-Confidential	The term “de-minimus level” recognises that the level of any refund calculated needs to be considered against the minimum cost of processing such a refund.	Noted.
PowerCon UK LTD.	Non-Confidential	We do not consider that it is reasonable to accept the principle of a de-minimus value on the basis that it does not add clarity or transparency to the issue and does not in any way assist the customer that originally funded to connection. Please see above.	Noted. Please reference the answer to question 4.
Power Data Associates	Non-Confidential	In the scale of the whole costs of a customer paying and a DNO providing a temporary supply the administrative costs of repaying money is absolutely trivial. The working group time and legal cost of having the debate, preparing these options, industry parties reviewing this consultation and the working group reviewing this response are possibly higher than the values under debate. But the paper does not mention the numbers/year that we are debating so I do not know. In case it is not evident I think all DCUSA working groups should have a reality check of the significance of some issues, there are far more important issues that require resolution within DCUSA/CDCM. In case it is not evident, this one stepped over the line in my view. Have a constructive day, at least I feel better now!	Noted.
SP Manweb and SP Distribution	Non-Confidential	As highlighted in the consultation paper, the principle of a de-minimus value is already established in secondary legislation relating to refunds under ECCR. We consider it appropriate that any refund of the net value of recovered equipment is treated on an equitable basis.	Noted.
Western Power Distribution	Non-Confidential	A de-minimus value will save the DNO from the administrative burden of raising a refund for a very small amount. DCP190 states that the de-minimus value shall be set out within section 6. Whilst it is for each DNO to stipulate the value we believe it should not be inherently high but a nominal value.	Noted.

UK Power Networks	Non-Confidential	Yes. It would be inappropriate for the electricity distributor to be required to make payments of very small or nominal sums. The principle of a de-minimus value for refunds is already established within the Electricity (Connection Charges) Regulations 2002.	Noted.
Company	Confidential?	Question Five: Are there any alternative solutions or matters that should be considered by the Working Group?	Working Group Response
Redacted			
Northern Powergrid	Non-Confidential	No	Noted.
PowerCon UK LTD.	Non-Confidential	<p>We are of the opinion that there are no further solutions that should be considered with regard to this specific Change Proposal (CP).</p> <p>We are aware however that this CP does not cover the instance whereby the original equipment was provided and installed by an ICP and subsequently adopted by the DNO. Clearly this scenario will require debate and consultation immediately following the resolution of this CP.</p> <p>We remain concerned that DNO's do not generally re-use 2nd hand equipment and therefore the application of this CP may be sensible and legitimate - but also limited.</p>	<p>Noted.</p> <p>Noted.</p> <p>Both CP's are based on the assumption that 2nd hand equipment is reused. The Working Group advised that 2nd hand equipment is re-used in appropriate circumstances.</p>
Power Data Associates	Non-Confidential	I think anything over £100 should be repaid to the customer. Or the aggregate saving in DNO administration should be paid annually to a nominated charity, together with the value of any uncashed cheques.	The Working Group considered that it was outside of the scope of the CP.
SP Manweb and SP Distribution	Non-Confidential	None we are aware of.	Noted.
Western	Non-	No	Noted.

Power Distribution	Confidential		
UK Power Networks	Non-Confidential	No	Noted.