

<b>DCUSA CONSULTATION DOCUMENT</b>	
<b>CHANGE PROPOSAL</b>	DCP 018 - Clarification of provision of metering data
<b>DATE OF ISSUE</b>	17 July 2008
<b>ISSUED TO</b>	DCUSA Contract Managers
<b>RETURN DEADLINE</b>	31 July 2008

## **1 BACKGROUND**

- 1.1 DCP 018 was raised by E.ON UK on 13 March 2008 and was considered by the DCUSA Panel at its meeting on 19 March 2008. The Panel determined that the CP was a non-urgent Part One change that should be progressed through the Definition Procedure.
- 1.2 The DCUSA Panel established a Working Group to consider the Change Proposal. The Working Group has met 6 times to assess and develop the CP.

## **2 WORKING GROUP CONSIDERATIONS**

- 2.1 Clause 29 of the DCUSA sets out the metering data that will be provided from Suppliers to Distributors free of charge. DCP 018, as put forward by E.ON UK, seeks to update the current drafting to clarify the data that is covered by this Clause but also to 'draw a line in the sand' and, in the submitted legal text, to introduce the ability for Suppliers to recover the administrative costs for the provision of metering data required by Distributors.
- 2.2 The Working Group noted that E.ON UK considered that the current drafting of the DCUSA could act as a barrier to new Suppliers as what metering data must be provided to Distributors is ill defined. E.ON UK also conceded that it was appropriate to develop a mechanism to allow Suppliers the right to reclaim reasonable administrative costs for the provision of additional or bespoke data for Distributor Parties but not for data already provided. Some members equally considered that the requirement to pay for additional data that is required for industry purposes could be considered as a barrier to entry for new Distributors, especially if the costs are unknown.
- 2.3 The Working Group has considered that there are two elements to the CP:
  - Updating the DCUSA to better define the obligation on Suppliers to provide data to Distributors; and
  - Updating the DCUSA to recognise the right for Supplier to charge for any additional data and the Distributor's obligation to pay for it.

- 2.4 The Working Group considered that whilst it was satisfied that the DCUSA drafting could be updated to better reflect the market position, the drafting put forward by the originator should be further refined. The Working Group and originator worked together to develop DCP 018 in an attempt to meet the requirements of Distributors and Suppliers.
- 2.5 The Working Group considered two versions of improvements to the drafting that had been developed by members.
- 2.6 The version which the majority of members were satisfied added clarity to the existing market position but did not introduce potentially contentious new commercial arrangements has become the revised drafting for DCP018 and is attached as Appendix A. The Working Group felt that this better reflected the business justification given in the original change proposal. (Note - the original drafting put forward by E.ON UK can be viewed on the DCUSA website – [www.dcusa.co.uk](http://www.dcusa.co.uk)).
- 2.7 The revised DCP 018 details the metering data that Suppliers are required to provide to Distributors without charge but does not specify the right for Suppliers to charge for the provision of additional data nor does it refer to separate bi-lateral agreements. The Working Group considered that this drafting will also cover the existing industry change processes covered by other codes which both Parties are signatories to. As such, under this revised DCP 018 any industry approved changes to the provision of such data would equally be provided free of charge since the industry would have approved and paid for the development of such a provision via a different code and governance arrangement.
- 2.8 The second version of drafting considered by the Working Group would allow Suppliers the right to charge for the provision of additional data in the future but mandates that types of metering data required by Distributors for the calculation of Use of System Charges or the operation of its Distribution System, identified in Clause 29.4, is provided free of charge. This drafting covers both data currently received and new data. This better reflects the legal text submitted as part of the change proposal. One member of the Working Group decided to put forward this version of drafting as an alternate to the evolved text of DCP018. This second version is attached as Appendix B and is referred to herein as DCP018A.
- 2.9 With regard to DCP018A, the Working Group considered both whether and how the requirement for Distributors to pay for such data should be captured in the Agreement. Legal Advice indicated that an assumed obligation for the Distributors to pay Suppliers would not be sufficient. The Working Group considered that whilst it may be appropriate for the DCUSA to set out the concept of charging for the provision of data it should not specify the mechanism by which payments are made. Some members felt that adding such a clause would set a precedent and result in similar clauses being added throughout DCUSA. It was felt that any request for additional data by a Distributor should be either covered off by a further change to DCUSA for such data or should be dealt with external to DCUSA via a bi-lateral agreement.
- 2.10 A number of Working Group members considered that the second element of the proposal – the introduction of a commercial framework between Suppliers and Distributors - was a significant issue. Some members questioned whether the development of 'Supplier to Distributor Relationships' could be considered within the scope of the DCUSA and

expressed concern that the CP would set a precedent for Suppliers to charge for other services provided to Distributors. Members considered that if such developments were taken forward it may be more appropriate for a new section of the DCUSA to be created specifically for such scenarios. It was generally agreed that this would require a separate Change Proposal and was outside the scope of the Working Group to consider.

- 2.11 The Working Group agreed that both variations should be issued to Parties for consultation.

### 3 DCP 018 VARIATIONS SUMMARY

Proposal	Key Principles
DCP 018	<ul style="list-style-type: none"> <li>• Obligation for Suppliers to provide Distributors with metering data for specified purposes in accordance with Clause 29.3 without charge</li> <li>• This obligation covers both data currently received and any new data item developed as a result of an industry change</li> </ul>
DCP 018A	<ul style="list-style-type: none"> <li>• Obligation for Suppliers to provide Distributors with metering data for specified purposes in accordance with Clause 29.4 without charge</li> <li>• Right for Suppliers to charge Distributors for any additional data not contained within Clause 29.4</li> <li>• Obligation for Suppliers to only charge 'reasonable costs'</li> <li>• Obligation for Distributors to pay the Supplier for the provision of that data</li> <li>• Introduces Clause 29.5 as a Part 1 provision</li> </ul>

### 4 CONSULTATION

- 4.1 In accordance with the DCUSA, any CP progressed through the Definition Process may be issued to DCUSA Parties as part of a consultation exercise. The Working Group has recommended that the two versions of DCP 018 be put forward for consultation.
- 4.2 Parties are asked to review the proposed CP and provide feedback, paying particular attention to the following:
- Indicate whether you believe that the proposed variations better facilitates the DCUSA Objectives.
  - Provide support for your comments and views by suitable reasons, evidence and explanations, where possible.
  - Identify any other relevant, suitable alternative solutions for consideration by the Working Group that would better facilitate the DCUSA Objectives.
  - Is it appropriate that the DCUSA should introduce the principle of Suppliers charging Distributors?

- Is it appropriate for the DCUSA to establish a principle for such charges but not introduce a charging mechanism?
  - Do you agree that Clause 29.5 in DCP018A introduces a Part 1 provision?
  - One of the key differences between the two variations is Clause 29.4 which defines what data will be provided free of charge. Each variation is attempting to clarify what the current practice is. Do you consider that both variations capture all of the data currently provided without charge?
  - Note that comments will inform the working group and Panel's decision about which alternate(s) to put forward for voting.
- 4.3 Your response, or any part thereof, can be provided in confidence. Please clearly indicate which parts of your response are to be treated confidentially.
- 4.4 You are asked to provide as much relevant detail in your response as possible to enable the DCUSA Panel to understand your comments and the reasons behind them. A response form has been included in Appendix C for your convenience.

## **5 NEXT STEPS**

- 5.1 Following the end of the consultation period the working group will consider all responses and present a final report to the DCUSA Panel. The DCUSA Panel will determine which variation(s) will be put forward to the vote.

## **6 TIMESCALES**

- 6.1 The Working Group has determined that the consultation period should be 10 Working Days. Parties are invited to submit responses to [DCUSA@electralink.co.uk](mailto:DCUSA@electralink.co.uk) no later than 31 July 2008.
- 6.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA Help Desk by email to [DCUSA@electralink.co.uk](mailto:DCUSA@electralink.co.uk) or telephone 020 7432 3017.

## **7 APPENDICES**

- Appendix A – DCP 018 (Legal Text)
- Appendix B – DCP 018A (Legal Text)
- Appendix C – Consultation Response Form