



## **DCUSA CONSULTATION**

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### **DCP 174 – Qualification and Application of LV Sub-Station Tariffs**

## 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.<sup>1</sup>
- 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 174 – Qualification and Application of LV Sub-Station Tariffs.
- 1.6 The Consultation has been issued to DCUSA Parties, the Distribution Charging Methodologies Forum (DCMF) Distribution List and Ofgem.
- 1.7 Parties are invited to consider the Change Proposal detailed in this consultation and submit comments using the form attached as Appendix C to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) by **30 August 2013**.

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

## **2 INTENT OF DCP 174 – QUALIFICATION AND APPLICATION OF LV SUB-STATION TARIFFS**

- 2.1 DCP 174 has been raised by Northern Power Grid as a result of an issue being raised within the Distribution Charging Methodologies Forum (DCMF) Methodologies Issues Group (MIG). The intent of this proposal is to change the application of the LV Sub CDCM tariff by making the tariff applicable to all customers who meet the definition of LV Sub regardless of their date of connection.
- 2.2 This proposal will clarify the definition of the LV Sub tariff and remove any ambiguity in relation to the application of this tariff. The Working Group would like to reiterate that this DCP will not be a change to the methodology or the definition, but rather provide clarification to the current definition.

## **3 DCP 174 – WORKING GROUP CONSIDERATIONS**

- 3.1 The Working Group is comprised of Distributor, Supplier and other interested Parties, as well as Ofgem representation; it is noted that all DCUSA Parties were invited to attend the Working Group.
- 3.2 The Working Group reviewed the proposed clarification to the definition of the LV Sub tariff, as set out in Appendix B, and agreed that it should be issued for industry consultation.
- 3.3 All Working Group members are supportive of the general principles of DCP 174.
- 3.4 The Working Group reviewed the CP against the DCUSA General Objectives and agreed that the following objective is better facilitated by the CP:
- General Objective 4<sup>2</sup> – Better facilitated – The Working Group agrees that DCP 174 will improve understanding and remove any ambiguity in relation to the qualification and application of CDCM tariffs for LV sub-station connections and ensure there is no scope for different interpretations to be applied.

## **4 PROPOSED LEGAL TEXT**

- 4.1 The DCP 174 proposed legal text is set out in Appendix B.
- 4.2 Following a review of the proposed legal text by the Working Group after feedback gained from the consultation, it will be issued to the DCUSA legal representative for

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<sup>2</sup> The promotion of efficiency in the implementation and administration of this Agreement

review.

## 5 PROPOSED IMPLEMENTATION DATE

- 5.1 The proposed implementation date for DCP 174 is the first release following Authority consent.

## 6 CONSULTATION

- 6.1 Parties are asked to consider the intent and impact of DCP 174 and answer the following consultation questions:

1. Do you agree with the intent of DCP 174?
2. Do you agree with the principles of DCP 174?
3. Does the CP better facilitate the DCUSA General Objective 4? Please provide supporting comments about this and any other DCUSA Objective you feel that this CP will impact.
4. Do you have any comments on the proposed legal drafting of DCP 174?
5. Are you aware of any wider industry developments that may impact upon or be impacted by this CP? If so, please give details, and comment on whether the benefit of the change may outweigh the potential impact and whether the duration of the change is likely to be limited.
6. Do you agree with the implementation date of DCP 174?
7. Are there any alternative solutions or matters that should be considered by the Working Group?

- 6.2 The Consultation response form (Appendix C) should be submitted to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) no later than **30 August 2013**. 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.

- 6.3 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.

## 7 NEXT STEPS

- 7.1 Following the end of the consultation period the Working Group will meet to review and consider the responses. The DCP 174 Working Group will submit its final report setting out the proposed variations to DCUSA Panel before the CP is issued to all

DCUSA Parties for voting.

7.2 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](mailto:dcusa@electralink.co.uk) or telephone 020 7432 3014.

## **8 APPENDICES**

- Appendix A – DCP 174 Qualification and Application of LV Sub-Station Tariffs
- Appendix B – DCP 174 Proposed Legal Text
- Appendix C – Response Form