

DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to dcusa@electralink.co.uk for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

- PART A – Mandatory for all Change Proposals
- PART B – Mandatory for Non Charging Methodologies Proposals
- PART C – Mandatory for Charging Methodologies Proposals
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PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard
CP Number	DCP 173
Date of submission	17/05/2013
Attachments	[See Guidance Note 1]
Originator Details	
Company Name	Eastern Power Networks
Originator Name	Chris Ong
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	chris.ong@ukpowernetworks.co.uk
Phone Number	07875 110134
Change Proposal Details	
CP Title	Retrospective changes of Tariff (LLFC / Unique Identifier)
Impacted parties	DNOs, IDNOs, Suppliers, Generators, Customers
Impacted Clause(s)	Add a new clause under clause 19
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	
Change Proposal Intent	
<p>To define within clause 19 of DCUSA an absolute time period within which a change of Tariff (LLFC / Unique Identifier) is allowed to be retrospectively applied by a DNO party. This time period would overrule any previous retrospective periods whether laid out within previous Charging Statements, the DCUSA, Use Of System Agreements, any other such documents or not previously specified.</p>	
Business Justification and Market Benefits	
<p>Following the introduction of the Common Distribution Charging Methodology (CDCM) in 2010, and the EHV Distribution Charging Methodology (EDCM) in 2012 for Demand and in 2013 for Generation, all Use of System Charges are now calculated using DCUSA approved charging models based upon the agreed methodologies which are under open governance. However there remains an inconsistency in the time periods agreed by a DNO Party when requested by either the Customer or Supplier to consider backdating an Tariff change. This change proposal seeks to align the approaches of all DNO companies.</p> <p>A number of options have been considered which are not exclusively listed below;</p>	
Option 1	the date of the request

Option 2	a maximum of 14 months (the settlement period) back from the date of a valid enquiry
Option 3	a maximum of 12 months back from the date of enquiry
Option 4	the date that the Tariff was originally allocated
Option 5	the date that the current supplier took on the contract from the customer for the connection
Option 6	the date that the current supplier took on the contract with the customer for the connection, with a maximum backstop of April 2010 for LV and HV customers, April 2012 for EHV (EDCM) demand customers and April 2013 for EHV (EDCM) export. These dates correspond to when common industry DUoS tariff structures came into force.
Option 7	a maximum of 6 years in line with the Limitation Act 1980
Option 8	a maximum of 14 days as specified in schedule 4 of DCUSA which covers billing and payment disputes

Following discussion at a Methodology Issues Group (MIG) meeting, the eight options above were put forward for discussion and consideration, however none of these options were unanimously agreed upon by the parties in attendance. Although each option would have its merits, it was agreed that a compromise needed to be found.

After considering all the options, the proposed solution would make a change to DCUSA so that changes to Tariffs are backdated no more than fourteen months from the date of agreement with the DNO, which is subtly different to the date of enquiry, as the time taken to investigate and conclude that a change is appropriate could vary in length depending upon the type of connection as well as the DNO business. The DNO would have to act reasonably and not delay agreement. This will also ensure that the revision of any change is reflected within Settlements which underpins the industry processes.

Any time period defined would need to be consistently applied to any change of Tariff, as any revision could result in the Supplier (and in turn the Customer) either receiving a credit or on some occasions an increase in charges, and for consistency it is important that both cases are treated equally.

Proposed Solution and Draft Legal Text

To draft a new clause to add to the existing clause 19 of DCUSA, which will define what industry parties are allowed to do when retrospectively revising an Tariff.

Clause 19.12;

Following a request from the User, the Company shall consider a request to revise the Tariff (either through the LLFC or Unique Tariff Identifier) held against an MPAN in the Metering Point Registration System. Where the Company agrees with the request, then the Tariff will be changed accordingly. If the User identifies in its request that the change should be backdated and gives an explanation of its rationale, and the Company agrees, the Company shall backdate the change to a date which is no earlier than fourteen months before the date of agreement by the Company. The Company shall not unreasonably withhold or delay such agreement. If the Company rejects the change it shall notify the User and give an explanation of its rationale.

This change proposal was discussed at the May DCMF MIG Meeting and it was felt that the working group would need to consider whether the period suggested above (fourteen months) is appropriate and also whether any change should be backdated to the 'date of enquiry' or the 'date of agreement'. There were a wide range of views within MIG on these two issues and there was ultimately no agreement reached,

It is the view of the proposer that fourteen months aligns with existing industry Settlement arrangements, and any change resulting in a time frame beyond this, could have a fundamental impact upon how the industry operates. Consideration should also be given to the impact on LLFs submitted (through the D265 dataflow), which could have a similar impact to the initial change of tariff.

Proposed Implementation Date

As soon as practicable following the next DCUSA release.

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

- BSC
- CUSC
- Grid Code
- MRA
- Other
- None

If other please specify

Consideration of Wider Industry Impacts

None

Environmental Impact

None

Confidentiality

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives

General Objectives:

Please tick the relevant boxes. [See Guidance Note 9]

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient,

co-ordinated, and economical Distribution Networks

- 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity
- 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- 4 The promotion of efficiency in the implementation and administration of this Agreement
- 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.

Rationale for better facilitation of the DCUSA Objectives identified above

[See Guidance Note 10]

PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Charging Objectives

Please tick the relevant boxes. [See Guidance Note 11]

Charging Objectives:

- 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
- 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.

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Rationale for better facilitation of the DCUSA Objectives identified above

Charging and General Objectives:

The changes brought about by this change proposal should result in better compliance with the act and licence by ensuring timely back dating of changes in Tariffs, which will help to ensure that the correct charge is applied, while also ensuring that competition amongst parties is not impacted.

Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation

Extensively at DCMF and MIG meetings.

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. www.dcusa.co.uk

Ref	Data Field	Guidance
1	Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	Part 1 / Part 2 Matter	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
3	Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	Proposed Solution and Draft Legal Text	Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions. The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers). Insert proposed legal drafting (change marked against any

		existing DCUSA drafting).
5	Proposed Implementation Date	The Change can be implemented in February, June, and November of each year.
6	Consideration of Wider Industry Impacts	Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.
7	Environmental Impact	Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see Ofgem Guidance .
8	Confidentiality	Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem
9	DCUSA General Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
10	Rationale for DCUSA Objectives	Provide supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.
11	DCUSA Charging Objectives	Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.