

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
- PART D – Guidance Notes

PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard
CP Number	
Date of submission	29 th April 2013
Attachments	Yes
Originator Details	
Company Name	SP Energy Networks
Originator Name	Deborah MacPherson
Category	DNO
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Change Proposal Details	
CP Title	Clarification of way in which voltage rise is used in determining the New Network Capacity
Impacted parties	DNOs and IDNOs
Impacted Clause(s)	Schedule 22
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	DCP 162, 166 & 167
Change Proposal Intent	
To amend the Common Connection Charging Methodology (CCCM) provide clarification of way in which voltage rise is used in determining the New Network Capacity	
Business Justification and Market Benefits	
<p>This proposal follows on from discussions which have taken place between DNO's and industry stakeholders who attend the CCMF (Connection Charging Methodology Forum).</p> <p>The DNOs work together voluntarily to develop common approaches in applying the methodology and have established the CCMF to assist the governance of the methodology whilst maintaining a consistent and transparent approach. Industry stakeholders who attend the CCMF are of the view that further clarity is required within the CCCM to the way in which voltage rise influences the calculation of New Network Capacity within the Cost Apportionment Factor.</p> <p>The current definition of New Network Capacity makes reference to Voltage Drop. Voltage Drop is applicable to demand connections however when evaluating the impact of a distributed generation connection to the distribution network, it is more appropriate to take account of the voltage rise caused by the distributed generation. In doing so, this will often involve the installation of assets so as to keep the voltage rise caused by the distributed generation within acceptable or statutory limits. In</p>	

doing so, and using the voltage rise capacity as the denominator, means there is no apportionment of costs. This has been challenged by some customers with a number of proposals discussed as to other options. The change proposal seeks to consider the impact of the change to the definition and the impact.

The intention of this proposal is to amend the relevant sections of the "*Statement of Methodology and Charges for Connection*".

Proposed Solution and Draft Legal Text

The proposed amendments to the Common Methodology text are appended to this Change Proposal form.

Proposed Implementation Date

As soon as practicable following Ofgem approval

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

N/A

Environmental Impact

None

Confidentiality

None

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

DNOs are obliged by SLC 13.1 to have Connection Charging Methodologies which are defined in SLC1 to mean “a complete and documented explanation, presented in a coherent and consistent manner, of the methods, principles, and assumptions that apply in relation to connections, for determining Connection Charges”.

DNOs consider that by clarifying the way in which the Connection Charging Methodologies are applied, the proposals would better facilitate the discharge by DNOs of their obligations under the Agreement. This would better meet General Objective 3.2.1 that compliance with the methodology facilitates the discharge by the licensee of the obligations imposed on it under their licence.

General Objective 3.2.2 is about “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”. Clearer explanation of the application and consistency of the Connection Charging Methodology allows distributed generators, other developers and independent connection providers to estimate more accurately the costs they will be subject to, upon connection or the provision of a connection and could promote effective competition in both areas and as such better meets this Objective.

Providing greater clarity on the application of the CCCM will be of benefit to distributed generators, other developers and independent connection providers and ensure that DNOs meet their Licence obligations and the development of competition in distribution.

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.

General Objectives:

- 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

This Change Proposal is intended to facilitate the consistent application by all DNOs of the appropriate way in which voltage rise is taken into consideration in determining the new network capacity within the cost apportionment factor. The current methodology has no clear principles for such cases and it is therefore possible that varying approaches may have been applied.

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

This proposal has been discussed at the Connections COG (Commercial Operations Group) and the Connection Charging Methodology Forum (CCMF)

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	<p>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).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting).</p>
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.