

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 / Urgent
CP Number	DCP 164
Date of submission	12 February 2013
Attachments	
Originator Details	
Company Name	Northern Powergrid
Originator Name	Pat Wormald
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	pat.wormald@northernpowergrid.com
Phone Number	01977 605934
Change Proposal Details	
CP Title	Review of the change process for Use of System methodology changes
Impacted parties	DG / DNO / IDNO / SUPPLIER / OTHER
Impacted Clause(s)	Section 1
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	n/a
Change Proposal Intent	
<p>To provide a managed change process for charging methodology related change proposals, by placing a requirement in section 1 of DCUSA. This managed change process will make the implementation of charging related DCPs more effective by limiting the implementation of changes [unless urgent] to one combined release of the CDCM and EDCM models and Annual Review Pack each year. This would also include the LDNO price control disaggregation models and HIDAM model if incorporated into open governance.</p> <p>The combined release of models would be set for a date no later than 2 months before the final date that indicative charge notices have to be provided which is currently the end of December.</p>	
Business Justification and Market Benefits	
<p>Background</p> <p>One of the key lessons learned from the Annual Review of the Common Distribution Charging Methodology (CDCM) in 2012 and the subsequent number of charging change proposals (DCP) that were generated, was that the timeline allowed to implement a change proposal did not allow sufficient time, following Ofgem approval, for the DCUSA panel to instigate changes to the CDCM model in time for DNOs to use to set their indicative tariffs for 2013.</p>	

In order to avoid this situation in future, it is proposed that a change to the DCUSA timeline for charging related DCPs be made, to ensure there is sufficient time once approval by Ofgem is granted, for DCUSA to make any changes to the charging model(s) as necessary to include any approved DCPs.

Currently charging related changes are developed throughout the year with no timescale or deadline before which they need to be approved by Ofgem, prior to their use in the calculation of DUoS Charges. This proposal would allow the development of Charging DCPs to continue as currently but in a more structured time-frame, instead of the current piecemeal release of the models, there would be one combined release. The annual release of the charging models and the associated methodologies will be implemented in time for their use in the calculation of indicative charges.

No charging related DCUSA modification will be made other than to have effect on 1 April in any year.

Proposed Solution and Draft Legal Text

The proposer believes that changes will be required to section 1c of DCUSA to describe the change process for charging methodology changes.

Although the working group should develop the solution a draft timeline is laid out below which looks to set out the milestones for charging related DCPs:-

- DCUSA to procure charging models to include all Ofgem approved charging DCPs as of the 30 September;
- DCUSA to make the models available to DCUSA Parties no later than 15 October;
- User Acceptance Testing (UAT) to be undertaken by DCUSA Parties of the revised charging models by 31 October;
- Subject to successful UAT testing, revised charging models published on DCUSA website to be used to calculate the indicative DCUSA Charges, no later than the 5 November;
- Indicative charges published as currently by the end of December

The DCUSA Change Proposal submission form would be updated to support this timetable by requiring proposers to provide a 'DCUSA Implementation Date' and a 'Model Release Date' for all Charging Methodology CPs that have an impact on the CDCM and/or EDCM. The DCUSA Implementation Date must be 1 April and the Model Release Date must be 5 November of the preceding year. This will provide clarity as to when the updated model would be released and when the changes would be implemented into the DCUSA document.

It is the intention of this change proposal to also ensure that consideration is given to the end-to-end timeline, taking account of:

- Timely submission of change reports to allow for questions from the DCUSA panel and re-submission;
- Industry voting; and
- Timely submission to Ofgem for approval.

Proposed Implementation Date

Summer 2013

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

BSC	<input type="checkbox"/>
CUSC	<input type="checkbox"/>
Grid Code	<input type="checkbox"/>
MRA	<input type="checkbox"/>
Other	<input type="checkbox"/>
None	<input type="checkbox"/>

If other please specify:

Initial discussion paper submitted to MIG as a proposal

Consideration of Wider Industry Impacts

Environmental Impact

Confidentiality

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives

General Objectives:

Please tick the relevant boxes.

- ☐ 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 will give advance notice to Suppliers and Distributors of the methodology and charging models that will be used for charging. This will improve transparency and better meet general objective 4, promoting the efficiency in the implementation and administration of this Agreement.

PART C – MANDATORY FOR CHARGING METHODOLOGIES PROPOSALS

DCUSA Charging Objectives

Please tick the relevant boxes.

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:

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Regulators.
Rationale for better facilitation of the DCUSA Objectives identified above
<u>Charging Objectives:</u> <u>General Objectives:</u>
Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation
Mentioned at DCMF meetings and draft discussion paper submitted to the DCMG MIG

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Data Field	Guidance
Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
Change Proposal Intent	Outline the issue the CP is seeking to address. Please note that the intent of the CP cannot be altered once submitted.
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
CP Status	A CP may be deemed 'urgent' in accordance with Clause 10.4.8 of the DCUSA. The proposer should give supporting reasons.
DCUSA General Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
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.
Draft Legal Text	Insert proposed legal drafting (change marked against any existing DCUSA drafting). The Change Proposal Intent will take precedence in the event of any inconsistency.
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 .
Impact of Wider Industry Change	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.
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.
Proposed Implementation Date	The Change can be implemented in February, June, and November of each year.
Proposed Solution	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.
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.
Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.