

**DCUSA DCP 164 Consultation Update Responses – Collated Comments**

<b>Question One</b>	<b>Do you have any comments on the updated DCP 164 legal text?</b>	<b>Working Group Comments</b>
British Gas	<p>We agree with the text of 14.10 &amp; 14.11. However, clarity is required on the proposed text of 14.12.</p> <p>It is unclear whether the 90 days notice referred to in 14.12 relates to the publications of charges, as in 14.10, or another date, such as the publication of final charges or the implementation of charges. We believe it should be 90 days prior to the minimum notice period for the publication of charges as in 14.10.</p>	<p>The Working Group considered this comment and noted that it would be reviewing the DCP 164 legal text after walking through each of the consultation responses.</p>
Northern Powergrid	<p>We believe the revised legal text better achieves the aim of the intent of this change.</p>	Noted
SP Distribution / SP Manweb	No	Noted
The unofficial DCMF website	<p>Paragraph 14.10 as drafted does not place any obligation on anybody to do anything that might help meet the suggested deadlines. If the intent was to ask the Panel to arrange for decisions on change proposal to be made in time, then the words should say so: "14.10 The Panel shall endeavour to secure that, for any Change Proposal whose implementation would require a change to a DCUSA model, the implementation date is such that a decision on the change proposal is scheduled to have been made 90 days before the minimum notice period for the publication (as defined in the Distribution Licence) of the first set of charges affected by the change. For the purpose of complying with this requirement, the Panel may rely on any target timescales for decisions</p>	<p>With regards to the respondent's first paragraph, the group noted that this suggestion does not fit in with the intent of the CP. The CP seeks to draw a line in the sand where any CP that is approved before a certain date will go through and those that do not meet this deadline will not go through for the coming April tariffs.</p> <p>With regards to the second paragraph, the group noted that the current draft of the legal text achieves the intent of the CP. In terms of conflicting with the distribution licence, the group noted that it was unsure how there was a conflict and agreed to seek legal advice on this point. It was noted that the CP will be</p>

	<p>published by the Authority."</p> <p>Paragraph 14.11 as drafted seems to try to tell DNOs how to comply with their licence obligations. This is outside the scope of DCUSA. If the intent was to ask that the Panel and DNOs, between them, produce suitable models and use them for the publication of indicative charges, then the words should say so:</p> <p>"14.11 Where a Change Proposal require a charging model published by the Panel to be modified, the Panel shall use all reasonable endeavours to publish Pre-release Models suitable for calculating charges at least 50 days before the minimum notice period for the publication (as defined in the Distribution Licence) of the first set of charges affected by the change. Wherever a DNO Party is required to populate and publish a charging model, the DNO Party shall, with each publication of its charges as defined in the Distribution Licence, populate and publish the most recent model or Pre-release Model that was available 50 days before the minimum notice period for that publication."</p>	<p>issued to Ofgem for decision and Ofgem has been participating in the working group and has not raised any concerns in this area.</p>
UK Power Networks	<p>We believe that the legal text is flawed, in that it refers to the model, and not the methodology. In doing so you could have an approved change to the methodology with a charging model which does not reflect the methodology and is thus not in compliance with DCUSA. We have attached a track changed version of the legal text which we believe corrects this issue.</p>	<p>In response to this suggestion, the group noted that the reason for splitting out the legal text by changes that affect just the methodology and those that affect the model is that the models take time to prepare.</p> <p>It was noted that the intent of DCP 164 does not explicitly refer to the models.</p> <p>After reviewing each of the responses in this document, the group subsequently agreed to use the revised version of the legal text provided by UK Power Networks.</p>

Question Two	Do you agree that an alternative change proposal should be raised which would differ from the DCP 164 solution by the inclusion of legal text paragraph 14.12 (i.e. the text shown in blue in Appendix B)?	Working Group Comments
British Gas	We don't believe that an alternative change is necessary as we believe that the intent of the original proposal is sufficiently broad in scope to include the legal text for 14.12, subject to the required clarification.	The group noted its agreement with this statement.
Northern Powergrid	<p>If the intent can be interpreted to include the additional wording then it should be included in this change.</p> <p>The intent states:</p> <p><i>To provide a managed change process for charging methodology related change proposals, by placing a requirement in section 1 of DCUSA.</i></p> <p>We do believe that the legal text suggested for 14.12 should reference the same timeline. We therefore suggest the following alternative text.</p> <p>14.12 Notice of changes that affect the methodology, but not the Charging Models, should provide a minimum of 50 days prior to the publication of charges.</p>	Noted
SP Distribution / SP Manweb	<p>Yes, we agree that an alternative CP should be raised, although the text in 14.12 required further clarification regarding timescales.</p> <p>(i.e. effective charge date, or the indicative date)</p>	Noted
The unofficial DCMF website	Paragraph 14.12 as drafted relies on the term "pricing period", which does not seem to be defined or to have an unambiguous meaning. It also appears to try to	The Working Group noted its agreement that the text in 14.12 was initially complicated.

	<p>override Authority decisions on implementation dates, which is presumably ineffective.</p> <p>If the intent was to extend the paragraph 14.10 restriction on implementation dates to changes that affect charges but do not affect the model, then this alternative intent might be achieved with a modified version of paragraph 14.10 along the lines of: "14.10 The Panel shall endeavour to secure that, for any Change Proposal that affects Schedule 16, Schedule 17 or Schedule 18, or whose implementation would require a change to a DCUSA model, the implementation date is such that a decision on the change proposal is scheduled to have been made 90 days before the minimum notice period for the publication (as defined in the Distribution Licence) of the first set of charges affected by the change. For the purpose of complying with this requirement, the Panel may rely on any target timescales for decisions published by the Authority."</p>	
UK Power Networks	We believe that the change should look at all methodology changes, which would include both the model and the model inputs. This would also result in an alternative DCP being un-necessary, as long as it is agreed that the decision to include the model inputs along with the models was correct.	Noted
<b>Question Three</b>	<b>If a DCP 164 alternative were to be raised to apply to the model inputs as well as the models would your preference be for the original CP or the alternative to be implemented?</b>	<b>Working Group Comments</b>
British Gas	If the legal text to apply to model inputs as well as the models were only included in the alternative then we would be supportive of the alternative, however as stated previously we do not believe an alternative is	Noted

	necessary.	
Northern Powergrid	The original DCP should cover the whole process, it would seem sensible to keep one change.	Noted
SP Distribution / SP Manweb	Alternative to be implemented (see above comment).	It was clarified by the respondent that their preference would be for there to be a single notice period.
The unofficial DCMF website	I would favour something that applies the same notice requirements to methodology changes irrespective of whether they affect any models.	Noted
UK Power Networks	As stated above, we believe that this DCP should cover the methodology, which would deal with both the model as well as the model inputs.	The group noted that the responses to this question provided a good steer from Parties on this area.
<b>Question Four</b>	<b>Do you have any further comments?</b>	<b>Working Group Comments</b>
British Gas	No	Noted
Northern Powergrid	None	Noted
SP Distribution / SP Manweb	<p>The Intent on DCP 164 states the following:</p> <p>To provide a managed change process for charging methodology related change proposals, by placing a requirement in section 1 of DCUSA</p> <p>As such the intent could be interpreted to include the additional wording suggested for 14.12 in the existing change proposal.</p> <p>The preferred solution would be to include all the suggested legal text including 14.12 (with revised timescales as per above).</p>	The group noted that this is in agreement with the other respondents.
The unofficial DCMF website	<p>Doing a second round of consultation in this way is a good idea.</p> <p>Unfortunately, in this case, the working group has not</p>	The group noted that the respondent has previously highlighted concerns with the DCUSA processes and is reiterating many of

	<p>properly taken into account some of the comments in the original consultation. I give a few examples below.</p> <p>The working group says: "It was noted that DCP 164 only relates to the charging methodology CPs and thus should not impact the smart meter roll out." This seems to ignore the fact that several DCPs arising from the MIG NHH/HH workstream are triggered by a wish to remove distortions in use of system charges that might be hindering half-hourly settlement of smart meters.</p> <p>In response to SSE Energy Supply's criticism of the proposal in response to questions 4 and 5, the working group offers a variety of irrelevant comments in question 4 and says "Noted" in the crucial question 5 about relevant objectives. This does not address SSE's suggestion that the Panel (not Ofgem) should have discretion to respond to circumstances.</p> <p>The working group says: "it was suggested that DCP 130 might have been the most likely case where this would occur as there was a drive from the Scottish parliament for it to be implemented sooner rather than later, however, the DCP 130 Working Group were fully aware of this." I followed the DCP 130 process and do not recall any documented intervention from the Scottish Parliament (which has no powers in this area). I cannot find the word Parliament in the DCP 130 change report. The DCP 164 working group should perhaps try to avoid appearing to rely on unattributed hearsay.</p> <p>The working group said "Noted" and appeared to ignore SSE Energy Supply's comment on question 8.</p> <p>The working group's approach to question 8 is absurd: if Ofgem plans to restrict tariff changes through the</p>	<p>these statements within his comments here.</p> <p>The group agreed that they were happy that they had considered all responses to the previous DCP 164 consultation and dealt with the concerns appropriately.</p> <p>It was noted that the NHH/HH group is not trying to do anything in relation to smart metering. This group is seeking to address discrepancies between HH and NHH. This will facilitate smart metering but whether an issue is related to smart metering or not is irrelevant.</p> <p>The DCP 164 group is trying to work backwards to calculate the minimum time to get the model available. The time frame is based on the minimum time to achieve this and is not excessive.</p> <p>The group noted that there are a significant number of DCPs waiting for work to be done. It was noted that it would be beneficial if the DCUSA Panel were to write to Parties to explain the delay and how changes will be managed going forward. The group felt that the respondent and others may be unhappy with the delays and this is feeding into the responses to this and other Working Group consultations.</p> <p>It was noted that the DCP 164 Chair contacted SSE following the previous consultation to discuss each of their concerns. SSE had confirmed that they were happy with this response.</p>
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	<p>licence, then there is no need to reproduce that restriction in DCUSA. In fact reproducing the restriction would be harmful: if Ofgem changes its mind and decides, say, to allow two changes a year, then presumably DCUSA would need to be changed again to meet the new policy.</p> <p>The working group says: "The CDCM has been under open governance for three years and many significant issues have been considered under the DCUSA Change Process in order to address these concerns and work is under way to address others." This is misleading: in terms of methodology changes affecting the CDCM model, only one significant issue might have been addressed so far (DCP 130), and given the slow timetable with which others are being progressed (e.g. DCP 123), there is a real risk that DCP 164 would prevent timely implementation of significant changes. The working group has not properly considered this problem with its proposals.</p> <p>I said "The proposal provides no effective remedy for affected persons (particularly non-DCUSA parties) if the DCUSA panel and/or secretariat fails to meet the relevant deadlines." The working group silently ignored that comment.</p> <p>In response to my question 10 comments, the working group said "The group noted that it would review this comment when it considers the alternative solution against question 11". But it did not.</p> <p>The working group says in response to my question 10 comments: "It was noted that the respondents suggestion would create the maximum number of models possible". This claim is unsupported by any logic or argument and does not lead anywhere. I think</p>	
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	<p>that it is also false.</p> <p>The working group silently ignored the first paragraph of my response to question 11.</p> <p>The working group says: "It was also noted that very few smart metering related changes will impact distribution use of system changes". That is not my impression from watching the MIG NHH/HH process and the DCPs following from it. The working group should support any comments on this nature by reference to documents and facts, in the same way as SSE Energy Supply had pointed to the problems that arose in connection with P272 and P280.</p> <p>In response to my reference to a specific order of Parliament, the working group cites the view of an unnamed DCUSA Panel member. I wonder whether the working group might do better work if it paid more attention to Parliament than to DCUSA Panel members who refuse to be identified.</p>	
UK Power Networks	<p>Either as an alternative to this approach or in addition to it, all change proposals which impact any of the charging methodologies could be determined to take effect not less than eighteen months prior to implementation (end of September 2013 to take effect from April 2015). This extends the notice period of fifteen months which parties already have for a large number of CDCM inputs; however the allowed revenue would need to be considered along with any model input not yet restricted by a notice period defined within DCUSA.</p>	<p>The group noted its agreement with this comment.</p>