

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 | DCP 141 |
| Date of submission | 10/7/12 |
| Attachments | |
| Originator Details | |
| Company Name | E.ON |
| Originator Name | Glenn Sheern |
| Category | SUPPLIER |
| Email Address | Glenn.sheern@eonenergy.com |
| Phone Number | 07834 621647 |
| Change Proposal Details | |
| CP Title | Invalid settlement classes |
| Impacted parties | DG / DNO / IDNO / OTSO / SUPPLIER |
| Impacted Clause(s) | Sch 16 para 141 |
| Part 1 / Part 2 Matter | Part 1 |
| Related Change Proposals | none |
| Change Proposal Intent | |
| <p>The intent is to ensure that all distributors adopt a common approach to billing invalid settlement classes by applying the default rate to the existing settlement class data.</p> | |
| Business Justification and Market Benefits | |
| <p>This CP has been raised following discussions in the MIG billing supergroup. That group was established to determine best practice in DUoS billing and to facilitate moving the industry towards such practice in order that distributors adopt a common approach to billing.</p> <p>The MIG billing supergroup has assessed different approaches used by distributors under current practice and has determined its view of the optimal common approach that it feels should be adopted in relation to the matter stated in the intent.</p> <p>Having a common approach to billing makes it easier for suppliers to build validation routines and provides transparency for new entrants.</p> <p>In the case of distributors who do not charge for invalid combinations it was felt there was cross</p> | |

subsidisation and where distributors adjust the LLFC prior to invoicing it was felt that validation was difficult.

This CP has been deemed a Part 1 matter as it alters Schedule 16.

Proposed Solution and Draft Legal Text

Schedule 16

Para 141

Note 2: ~~Where~~ DNO Parties shall use ~~a default tariff~~ the Domestic Unrestricted rate for invalid settlement combinations ~~these will be charged at the Domestic Unrestricted rates~~ and shall not change the LLFC for the purposes of billing an invalid settlement combination. However, the LLFC may be changed in the registration system to facilitate the settlement combination being correct in future reconciliation runs.

Proposed Implementation Date

1 October 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 checked="" type="checkbox"/> |

If other please specify

Consideration of Wider Industry Impacts

Environmental Impact

Confidentiality

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

Objective 2

Promotes consistency and transparency in the methods faced by suppliers.

PART C – MANDATORY FOR CHARGING METHODOLOGIES PROPOSALS

DCUSA CDCM Objectives

Please tick the relevant boxes.

CDCM 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

CDCM Objectives:

Objective 3

Choosing not to bill invalid combinations leads to cross subsidy.

General Objectives:

Objective 2

The supplier's validation is better facilitated and transparent.

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

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 CDCM Objectives | Indicate which of the DCUSA CDCM Objectives will be better facilitated by the Change Proposal. Please note that a CDCM 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. |

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| 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. |