

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 135
Date of submission	13/06/2012
Attachments	Data gathered as part of the CDCM Super Group on the impact of revised inputs
Originator Details	
Company Name	UK 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	Clarification of CDCM Changes
Impacted parties	DNO / IDNO / SUPPLIER/ DG
Impacted Clause(s)	19.8
Part 1 / Part 2 Matter	Part 2
Related Change Proposals	
Change Proposal Intent	
<p>The intent of the change proposal is to provide a detailed commentary on the reasons behind the movement in particular CDCM tariffs following a DUoS Price Charge, produced in a common format across all parties and published within a defined timescale.</p>	
Business Justification and Market Benefits	
<p>A price change by a Distribution Network Operator (DNO) often causes Suppliers and Customers to struggle to understand how the elements of certain tariffs change at a greater rate than is the case with other tariffs. Having a single document for each DNO which details the main reasons behind the movement in the charges on a tariff by tariff basis, would largely address those concerns, and would provide sufficient information for both Suppliers and Customers to understand the drivers causing the change of tariff, or the reasons for certain elements of a tariff increasing.</p> <p>The CDCM 'Super Group' believes that this can be implemented to take effect from the price change effective 1 April 2013, which will be published as indicative charges towards the end of December 2012.</p>	

Proposed Solution and Draft Legal Text

To develop a common template which will be revised by version control and updated through the change control process, which is to be populated and published by each DNO following revision of DUoS Tariffs. These populated templates will be uploaded to the DCUSA website by Electralink within a defined period of time.

Suggested legal text;

Clause 19

19.8.1 This Clause 19.8.1 shall only apply where the Company is a DNO Party.

19.8.1a The Tariff Movement Explanation (or TME) is to be published on behalf of each DNO Party, and refreshed where necessary, in accordance with this Clause 19.8.1, and schedule xx.

19.8.1b By 31 December of each year, the Company shall complete the TME and send the completed template to the Secretariat.

19.8.1c By the third Working Day of January in each year, the Secretariat shall publish on the Website, and will notify all interested parties by email that the completed TME most recently received from each DNO Party is available on the DCUSA website.

19.8.1d Where the Use of System Charges to be charged by the Company from April in any year differ from the indicative charges set out in the Companies TME published pursuant to Clause 19.8.1 in January of that year, then the Company shall (at least 40 days prior to the date from which such charges are to have effect) resubmit an updated TME to the Secretariat.

19.8.1e The Secretariat shall, within three working days of receiving any updated TME pursuant to Clause 19.8.1d, publish the updated TME on the Website, and notify all interested parties by email.

Suggested drafting for an additional schedule to DCUSA

SCHEDULE xx – PRODUCTION OF THE TARIFF MOVEMENT EXPLANATION (TME)

1. INTRODUCTION

1.1 The “**Tariff Movement Explanation**” or “**TME**” is a document to be completed by each DNO Party which explains movements between current tariffs and indicative (when first published in accordance with their licence obligations) and final (when updated in accordance with their clause 19.1) Use of System Charges where updated. The template shall contain detail of the reasons behind the movement in each tariff following the revision of the CDCM inputs.

2 GENERAL

2.1 The format of the TME will be common, but the actual explanation will be specific to each DNO Party to allow that DNO Party flexibility to express its own views and to provide a realistic explanation of the tariff movement.

2.2 It is acknowledged that:

- (a) in populating the TME, each DNO Party will make a number of assumptions;
- (b) the information set out in each TME is a high level view, and is only intended as an indication of an understanding at a point in time; and other revised inputs could have also impacted upon the movement in tariffs, of the specific elements of a tariff.

Proposed Implementation Date

1 December 2012

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****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

1. The change proposal better meets General objective two by providing a further, more detailed explanation of the reasons behind the movement in elements of the charges.
2. The change proposal better meets General objective three by satisfying the licence obligation

on DNOs to review the charging methodology and bring about changes to improve the methodology.

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 paragraphs 13A.6A to 13A.9, the CDCM, 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
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Rationale for better facilitation of the DCUSA Objectives identified above

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

This issue and CP have been discussed as part of the CDCM 'Super Group'. The supporting documentation provided includes:
Analysis undertaken as part of this CDCM Super Group to understand the significance of the revision of each input to the CDCM Model, in a draft template for discussion and potential use as the Tariff Movement Explanation (TME) document.

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.

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.