

## 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](mailto: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

<b>Document Control</b>	
CP Status	Standard
CP Number	DCP 134
Date of submission	
Attachments	
<b>Originator Details</b>	
Company Name	npower
Originator Name	Daniel Hickman
Category	<u>SUPPLIER</u>
Email Address	Daniel.Hickman@npower.com
Phone Number	01213365256
<b>Change Proposal Details</b>	
CP Title	Implementation of notice in DCUSA for changes to distribution time-bands
Impacted parties	DNOs, IDNOs, and Suppliers
Impacted Clause(s)	Schedule 16
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	
<b>Change Proposal Intent</b>	
<p>This Change Proposal is being raised on behalf of the DCMF MIG Annual Review Supergroup.</p> <p>The intent of this proposal is to mitigate price shocks caused by sudden time-band changes by providing a sufficient notice period for any change to Common charging methodology (CDCM) distribution time-bands (other than changes required by another DCUSA change)</p>	
<b>Business Justification and Market Benefits</b>	
<p>Suppliers price consumers on 1,2 and 3 year contracts – either with DUoS built into the overall rate that the customer receives on the bill or where DUoS charges are passed through directly onto the customers bill. Changes to CDCM distribution time-bands can lead to sudden price shocks, perhaps resulting in windfall gains or losses for suppliers. This also can lead to consumer’s being charged on a different basis depending on the type of contract with their supplier.</p> <p>The red, amber and green timebands were introduced as part of the CDCM to influence the consumption patterns of customers. The price signal is intended to encourage customers to reduce consumption at peak times and encouraging consumption when the network is under-utilised. To make this pricing signal effective and encourage customers to react to this signal it is important that</p>	

the price signal is stable. This change proposal will provide customers with confidence that the price signal in the red, amber and green timebands as used by the CDCM will not change without a minimum notice period of 15 months. This notice period will allow customers to make investment decisions and have confidence that the timebands will not change within a given period of time and prevent them earning an adequate return on their investment.

### Proposed Solution and Draft Legal Text

Implement a change in DCUSA which provides DNOs with an obligation to:

- 1 Only change CDCM distribution time-bands on **1 April** (i.e. no mid-year distribution time-band changes), except where the required change is as a result of a revision to the CDCM methodology.
- 2 Provide a minimum of 15 months notice of the CDCM distribution time-band change.

The DCMF MIG Annual Review Supergroup has identified the following changes to Schedule 16 of DCUSA to accommodate this proposal. Insert a new paragraph 42 as follows:

Distribution time bands

40. The DNO Party determines three distribution time bands, labelled red, amber and green.

41. Distribution time bands are defined separately for Monday-Friday and for Saturday/Sunday. In each case, time bands are defined by reference to UK clock time only, and always begin and end on the hour or half hour. Each time band may be divided into any number of sections.

**42. The DNO Party may only change distribution time-bands on 1 April and must provide a minimum of 15 months notice of any changes to the distribution time bands. However, where a change to distribution time bands is caused by the implementation of a change to this methodology, the requirement to provide 15 months notice will not apply.**

### Proposed Implementation Date

1/12/2012

e.g. when publishing indicatives for 1 April 2013, no later than 31<sup>st</sup> December 2012, provide notice of changes to CDCM distribution time-bands with implementation date of 1 April 2014.

### 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

<b>Consideration of Wider Industry Impacts</b>
None Identified
<b>Environmental Impact</b>
None Identified
<b>Confidentiality</b>

**PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS**

<b>DCUSA Objectives</b>
<p><u>General Objectives:</u></p> <p>Please tick the relevant boxes.</p> <p><input type="checkbox"/> 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks</p> <p><input checked="" type="checkbox"/> 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</p> <p><input checked="" type="checkbox"/> 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences</p> <p><input type="checkbox"/> 4 The promotion of efficiency in the implementation and administration of this Agreement</p> <p><input type="checkbox"/> 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.</p>
<b>Rationale for better facilitation of the DCUSA Objectives identified above</b>
<p><u>General Objectives:</u></p> <ol style="list-style-type: none"> <li>1. The change proposal better meets general objective two by improving the predictability of DUoS Tariffs.</li> <li>2. This issue was raised at the annual review meeting of the CDCM. Therefore 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.</li> </ol>

## PART C – MANDATORY FOR CHARGING METHODOLOGIES PROPOSALS

### DCUSA CDCM 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:

- 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:

1. This issue was raised at the annual review meeting of the CDCM. Therefore the change proposal better meets CDCM objective one by satisfying the licence obligation on DNOs to review the charging methodology and bring about changes to improve the methodology.
2. The change proposal better meets CDCM objective two by improving the predictability of DUoS

Tariffs.

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

The issue was raised at the Annual Review Meeting of the CDCM. Following that workshop it was agreed that the issue should be progressed by the DCMF MIG Annual Review Supergroup.

The Annual Review Supergroup contains a good mix of Suppliers and DNOs and the group is in agreement that the proposal represents a relatively simple change to DCUSA and to the CDCM that will provide improvements in predictability.

**PART D – GUIDANCE NOTES FOR COMPLETING THE FORM**

<b>Data Field</b>	<b>Guidance</b>
<b>Attachments</b>	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
<b>Change Proposal Intent</b>	Outline the issue the CP is seeking to address. Please note that the intent of the CP cannot be altered once submitted.
<b>Confidentiality</b>	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
<b>CP Status</b>	A CP may be deemed 'urgent' in accordance with Clause 10.4.8 of the DCUSA. The proposer should give supporting reasons.
<b>DCUSA General Objectives</b>	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
<b>DCUSA CDCM Objectives</b>	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.
<b>Draft Legal Text</b>	Insert proposed legal drafting (change marked against any existing DCUSA drafting). The Change Proposal Intent will take precedence in the event of any inconsistency.
<b>Environmental Impact</b>	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 <a href="#">Ofgem Guidance</a> .
<b>Impact of Wider Industry Change</b>	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.
<b>Part 1 / Part 2 Matter</b>	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.

<b>Proposed Implementation Date</b>	The Change can be implemented in February, June, and November of each year.
<b>Proposed Solution</b>	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.
<b>Rationale for DCUSA Objectives</b>	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.
<b>Related Change Proposals</b>	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.