

DCUSA DCP 134 Consultation Responses – Collated Comments

Question One	Do you understand the intent of the CP?	
	Responses	Working Group Comments
British Gas	Yes	The Working Group noted that all respondents understood the intent of the CP.
Electricity North West	Yes	Noted
GTC	Yes	Noted
Northern PowerGrid	Yes.	Noted
Scottish Power	Yes, we understand the intent of the CP as being to provide notice of changes to distribution time bands and therefore providing confidence in the details provided by DNOs.	Noted
SP Distribution/SP Manweb	Yes we understand the intent of the CP.	Noted
SSE Energy Supply Ltd	Yes	Noted
SSEPD	Yes	Noted
Western Power Distribution	Yes	Noted
Question Two	Are you supportive of the principles of the CP?	
	Responses	Working Group Comments
British Gas	Yes	The Working Group noted that the majority of respondents were supportive of the principles of the CP.
Electricity North West	Yes	Noted
GTC	Yes	Noted
Northern PowerGrid	Yes.	Noted
Scottish Power	Yes, we are supportive of the principles of the CP.	Noted
SP Distribution/SP Manweb	Yes we are supportive of the principles of the CP.	Noted
SSE Energy Supply Ltd	Yes we are supportive of the principles of the CP.	Noted
SSEPD	We broadly support with the principles of the CP. However we do not agree with the mechanism of proposed solution.	It was noted that SSEPD does not agree with the mechanisms of the proposed solution.
Western Power Distribution	Yes	Noted

Question Three	Do you agree with the minimum notice period being set at 15 months? If not, should it be longer or shorter?	
	Responses	Working Group Comments
British Gas	Yes, this is consistent with the notice period for being proposed for CP's.	Noted
Electricity North West	15 months is an appropriate time period.	Noted
GTC	Yes	Noted
Northern PowerGrid	Yes.	Noted
Scottish Power	We agree with the minimum notice period of 15 months. We do not support a notice period of less than 12 months as changes within a charging year cause complexity and require additional resource to manage. This is particularly the case with some DNO areas where additional time bands are already included for certain times of the year (e.g. Christmas).	Noted
SP Distribution/SP Manweb	Yes we are supportive of the principles of the CP.	Noted
SSE Energy Supply Ltd	Yes we agree with the minimum notice period being set at 15 months.	Noted
SSEPD	No, see alternative solution.	Noted
Western Power Distribution	Yes	Noted
Question Four	<p>Do you consider that the proposal better facilitates the DNOs Objectives? Please provide supporting information.</p> <p><u>CDCM Objectives:</u></p> <ol style="list-style-type: none"> 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 	

	<p>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> <p><u>General Objectives:</u></p> <ol style="list-style-type: none"> 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. 	
	Responses	Working Group Comments
British Gas	<p>We are in agreement that DCP 134 better facilitates DCUSA General Objective 2 and DCUSA Charging Objective 2 by improving the predictability of DuoS Tariffs.</p> <p>We also agree that the proposal better facilitates DNOs General Objective 3 and DNOs Charging Objective 1 as the proposal was raised at the annual review meeting of the CDCM, therefore, the CP satisfies the licence obligation on DNOs to review the charging methodology and bring about changes to improve the methodology.</p>	Noted
Electricity North West	<p>Yes. The proposal better facilitates CDCM Objective 2 in that it facilitates competition in the generation and supply of electricity by providing stability of the timeband period. This is fundamental to the charging methodology and should not be changed without adequate notice.</p>	Noted
GTC	<p>We agree with the working groups assessment.</p>	Noted
Northern PowerGrid	<p>We agree with the comments in the change proposal that this change better facilitates the following objectives: General Objectives 2 and 3; and CDCM Objectives 1 and 2.</p>	Noted

	<p>General Objectives:</p> <ul style="list-style-type: none"> • 1. The change proposal better meets general objective 2 by improving the predictability of use of system tariffs by knowing in advance when the time bands will change and what they will change to. • 2. The change proposal also better meets general objective 3 by satisfying the licence obligation on DNOs to review the charging methodology and bring about changes to improve the methodology. This change was raised at the annual review meeting of the CDCM. <p>CDCM Objectives:</p> <ul style="list-style-type: none"> • The change proposal also better meets CDCM objective 1 by satisfying the licence obligation on DNOs to review the charging methodology and bring about changes to improve the methodology. This change was raised at the annual review meeting of the CDCM. • 2. The change proposal better meets CDCM objective 2 by improving the predictability of use of system tariffs by knowing in advance when the time bands will change and what they will change to. 	
Scottish Power	<p>An increase in the predictability of charges will enable suppliers to have more confidence when forecasting future DUoS costs. This will in turn help to facilitate effective competition in the supply of electricity (CDCM Objective 2 and General Objective 2).</p> <p>The change also furthers CDCM Objective 1 and General Objective 3 as it fulfils the DNO Parties' requirement to conduct a regular review of their charging methodology and bring forward any relevant changes.</p>	Noted
SP Distribution/SP Manweb	We agree with the working group's assessment against the DCUSA objectives.	Noted
SSE Energy Supply Ltd	Yes. The reasons given in the proposal are correct.	Noted
SSEPD	No, as DNOs cannot respond to customer behaviour in cost	The Working Group noted that a DNO can still respond but

	reflective charges in a timely manner.	<p>in a delayed manner. The group noted that if the time periods need to change the relevant party must give notice.</p> <p>The group noted that the notice period is 6 months in advance and not 15.</p> <p>The group noted that this CP is not seeking to change time bands; but it seeks to change the notice period associated with it.</p>
Western Power Distribution	CDCM Objective 2	Noted
Question Five	Are there any alternative solutions or matters that should be considered by the Working Group?	
	Responses	Working Group Comments
British Gas	N/A	Noted
Electricity North West	No	Noted
GTC	None that we are aware of	Noted
Northern PowerGrid	Not at this point in time.	Noted
Scottish Power	None that we are aware of.	Noted
SP Distribution/SP Manweb	None at this time.	Noted
SSE Energy Supply Ltd	No	Noted
SSEPD	Time band set / revised at indicative tariffs should be the same for finals tariffs, and DNOs should by 30 September notify DCUSA Contract Managers any intention to change time bands for indicative.	The group noted that this would cause Suppliers to have their time periods on the wrong place. The group noted that this is rare situation and the changes to time brands are difficult for all Parties.
Western Power Distribution	No	Noted
Question Six	Are you aware of any wider industry developments that may impact upon or be impacted by this CP? If so, please give details, and comment on whether the benefit of the change may outweigh the potential impact and whether the duration of the change is likely to be limited.	
	Responses	Working Group Comments

British Gas	N/A	Noted
Electricity North West	No	Noted
GTC	No	Noted
Northern PowerGrid	There are currently numerous CDCM changes going through the DCUSA process. We are not aware that this proposal will have significant impacts on the majority of them but it is like to have an impact on DCP123, which is looking at the application of revenue matching (scaling). Changing the time bands may have an impact on the amount of revenue reconciliation that is required and hence the impact assessment of that change proposal.	The group noted that any changes effecting CDCM will have an impact on DCP 123 and its impact assessment. The group noted that this CP is not seeking to change time bands; but it seeks to change the notice period associated with it.
Scottish Power	There are a number of CDCM related changes being considered at the moment but none that we believe would have a material impact on this proposal.	Noted
SP Distribution/SP Manweb	We are not aware of any wider industry developments that may impact upon or be impacted by this CP.	Noted
SSE Energy Supply Ltd	No	Noted
SSEPD	Low Carbon Network Schemes, and Demand Side Management Schemes/Active Network Management Schemes which will impact on customer behaviour, and therefore potentially affect the demand profile/time bands.	The Working Group noted these schemes are independent of the time bands, and are not written into the DCUSA, they are exceptions and demand balances. The Working Group took an action to speak with SSEPD and asking for further clarity on how the schemes they highlighted impact the time bands.
Western Power Distribution	No	Noted
Question Seven	Are you supportive of the proposed implementation date of 1 December 2012?	
	Responses	Working Group Comments
British Gas	Yes	Noted
Electricity North West	Yes	Noted
GTC	Yes	Noted
Northern PowerGrid	Yes	Noted
Scottish Power	We support the proposed implementation date of 1 December	Noted

	2012.	
SP Distribution/SP Manweb	Yes we are supportive of the implementation date.	Noted
SSE Energy Supply Ltd	Yes.	Noted
SSEPD	No, for the reasons above.	Noted
Western Power Distribution	Yes	Noted
Question Eight	Do you have any comments on the proposed legal text?	
	Responses	Working Group Comments
British Gas	No	Noted
Electricity North West	The legal text needs to say how notice should be provided. I presume that this should be via the Annual Review Pack issued with indicatives.	The Working Group noted that the legal text should be updated so that it states that notice should be outlined in Paragraph 2.2.0 LC14 statement.
GTC	No	Noted
Northern PowerGrid	Not at this time.	Noted
Scottish Power	We have no comments on the legal text.	Noted
SP Distribution/SP Manweb	No comments.	Noted
SSE Energy Supply Ltd	No.	Noted
SSEPD	No.	Noted
Western Power Distribution	No	Noted
Question Nine	Do you have any further comments on DCP 134?	
	Responses	Working Group Comments
British Gas	No	Noted
Electricity North West	No.	Noted
GTC	No.	Noted
Northern PowerGrid	No	Noted
Scottish Power	No.	Noted
SP Distribution/SP Manweb	No further comments.	Noted
SSE Energy Supply Ltd	No.	Noted
SSEPD	No.	Noted
Western Power Distribution	No	Noted

