

DCUSA DCP 126 Consultation Responses – Collated Comments

Question One	Do you understand the intent of the CP?	Working Group Comments
British Gas	Yes	The Working Group noted that all respondents understood the intent of the Change Proposal.
Electricity North West Ltd	Yes	
Haven Power	Yes	
Npower	Yes	
Opus Energy	Yes	
Scottish Power Energy	Yes, we understand the intent of the CP.	
SP Distribution_SP Manweb	Yes, we understand the intent of the CP.	
Smartest Energy Ltd	Yes	
SSE Energy Supply Ltd	Yes	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Yes	
UK Power Networks	Yes	
Western Power	Yes	
Question Two	Are you supportive of the principles of the CP?	Working Group Comments
British Gas	Yes	The Working Group noted that respondents views are
Electricity	We agree with the principle of increased transparency and predictability	

North West Ltd	of tariffs. However, we believe this change proposal would not improve the information that is already available and is likely to lead to confusion among stakeholders because of the large number of prices that will be published.	predominantly split between Suppliers and DNOs. With Suppliers supportive of the provision of the additional information proposed under the CP and DNOs not so.
Haven Power	Yes	
Npower	Yes	
Opus Energy	Yes	
Scottish Power Energy	We are supportive of the <u>principle</u> of the CP that it would provide further forward looking information on charges that may in turn reduce the risk of unexpected price changes. However we have concerns about the accuracy of information that would be provided under the current drafting.	
SP Distribution_SP Manweb	No we are not supportive of the principles as we do not believe the proposal provides any benefit.	
Smartest Energy Ltd	Yes	
SSE Energy Supply Ltd	Yes	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No. Whilst acknowledging the view of suppliers, we feel that the quarterly Clause 35A tables provide sufficient information for suppliers to update the CDCM and obtain the tariffs themselves.	
UK Power Networks	No, as we do not believe it's a sensible use of a DNOs time to model the impact of future Allowed Revenue as published as part of the schedule 15 quarterly publications. The data is already available to all parties, as are the CDCM models to carry out this analysis today.	
Western Power	To some extent	
Question Three	It was the view of the Working Group that only the Transmission Exit Charges and Allowed Revenue can be reviewed and possibly updated more than annually. Do you see a benefit in seeing these	Working Group Comments

	shown as a full set of illustrative tariffs? If you do, please provide supporting information.	
British Gas	<p>As a participate we see the advantages of this detail being published, however we have no preference.</p> <p>It should be explicit that the tariffs are for illustrative purposes only. They are not to be interpreted as indicative or final tariffs intent for publication within charging statements.</p>	<p>The Working Group noted that there were a variety of views, covering areas that have previously been discussed by the Working Group.</p>
Electricity North West Ltd	We agree that the Allowed Revenue and transmission exit charges are the only variables that can be practically updated each quarter. In our view this would not warrant DNOs publishing prices which are still likely to be substantially different when the other CDCM input variables are updated at year end.	
Haven Power	Yes, this would mean that the exercise of producing tariff level information would be only done once for each area rather than multiple times (e.g. by each supplier), which would be more efficient in terms of cost and resource across the market. Currently there is the issue that some tariff component level information (e.g. opposing large day and night unit rate swings can be masked in the current level of data that is provided (i.e. broad percentage increases). More detailed information would give greater visibility of possible movements in individual tariff elements. We feel if these updates are provided by DNOs with full illustrative tariffs it would mean that all parties have the same information, which would improve transparency and efficiency in the market as each set of numbers is produced only once.	
Npower	We see a benefit in having this information updated more than annually and showing as a full set of tariffs. This allows suppliers, particularly small suppliers who often do not have the resource to become experts in CDCM models, to have easy access to example tariffs. It may also be useful to consumers looking to view their forecast tariffs for next year.	
Opus Energy	We acknowledge the argument in the consultation that these figures won't always be consistent with indicative tariffs, but properly explained they will still provide more useful information than both the status quo and just a revised set of inputs.	

Scottish Power Energy	Suppliers have the ability to input the updated values to the CDCM Model and see the impact on DUoS tariffs. It would be beneficial however for DNOs to provide this as it would provide a comparison for Suppliers to confirm their own forecasts are in line with DNOs.	
SP Distribution_SP Manweb	<p>No, we do not believe there is a benefit in publishing a full set of illustrative tariffs based on changes to the forecasts of Transmission Exit Charges and Allowed Revenue only.</p> <p>The forecasts will not provide any additional predictability of the charges that will apply as a large number of inputs will also be updated prior to the issue of the indicative charges for that year. Other changes to the models progressed through the year via the open governance process may also impact on final tariffs.</p>	
Smartest Energy Ltd	Yes	
SSE Energy Supply Ltd	<p>Yes.</p> <p>Other critical data items can be changed with 15 months notice. When these changes have been published, but not implemented (due to the 15 month delay) their impact on prices will not be immediately obvious.</p> <p>The interaction of these changes with the changes in Transmission Exit Charges, and Allowed Revenues, justifies the issue of a full set of illustrative tariffs.</p> <p>A similar situation is created by changes to the Red/Amber/Green timeslot durations, and by other pending change proposals.</p>	
UK Power Networks	We see very little benefit in seeing any updated inputs shown as illustrative tariffs. We believe that this is a straight forward task which any party is able to do today, by taking a CDCM model which are published on a DNOs website and taking the relevant information from the schedule 15. This would also allow the Supplier (or party modelling the impact) the opportunity to see what the impact of changing only some of these inputs and not all (i.e. volumes but not exit charges).	

Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No. The costs of producing the illustrative tariffs would outweigh the benefits. Changes to the Transmission Exit Charges, in year, are unlikely to have a significant impact on tariffs, so there would be little benefit in producing a set of tariffs as a consequence of any such change.	
Western Power	This production of tariffs on a quarterly basis to go with December indicatives and February finals must raise the possibility of too much information creating confusion. On that basis it might be more prudent to not create a full set of illustrative tariffs.	
Question Four	The latest view of Allowed Revenue and Transmission Exit is already provided within DCP066, do you think it would be more appropriate for Suppliers to update the latest CDCM model as required to obtain tariffs or is it more appropriate for DNOs to calculate the tariffs? Please provide supporting information.	Working Group Comments
British Gas	<p>We have no preference for either publishing illustrative tariffs or suppliers updating the latest CDCM model to obtain tariffs.</p> <p>The publication of tariffs could be more beneficial for suppliers or market participants that do not have the time or resource in place to model changes as new updates become available.</p>	<p>The Working Group noted that there is broadly a split between Suppliers and DNOs.</p> <p>It was noted that, similar to the issue identified by the Working Group at earlier meetings, there is a need to ensure that the publication of additional information does not cause confusion.</p>
Electricity North West Ltd	We believe that it would be more appropriate for Suppliers to update this information. The DCUSA cost information that is published each quarter, is the DNOs latest view and contains scenarios of potential outcomes. The Annual Review Pack and CDCM model have been set up to allow stakeholders to put in different scenarios and see the tariffs that would result. Publishing tariffs each quarter is likely to be misleading, as some stakeholders could assume these tariffs to be firm, or rely heavily on these tariffs which are likely to change substantially.	
Haven Power	We believe that to ensure consistency across all parties in terms of information and to maximise transparency and efficiency, that this is best managed by DNOs. DNOs are best placed to operate models and this would remove a significant burden for small suppliers looking to	

	grow and for new entrants thereby taking away another barrier to entry with the potential to stifle competition as a result.	
Npower	We would prefer DNOs to calculate the tariffs	
Opus Energy	DNO's should calculate the tariffs as not all suppliers would have the same amount of resources to devote to this; it would often be unfeasible for smaller suppliers especially.	
Scottish Power Energy	It would not be unfeasible for suppliers to take figures from the quarterly DCP066 submissions and update the CDCM model.	
SP Distribution_SP Manweb	Yes, should Suppliers require CDCM forecasts based on just the allowed revenue and transmission exit charges being updated it would be more appropriate for them to update the models rather than for DNOs to formally issue illustrative charges. There will be less confusion if DNOs only formally issue indicative and then final tariffs.	
Smartest Energy Ltd	DNOs should calculate the tariffs. It is inefficient for suppliers to do this individually.	
SSE Energy Supply Ltd	It is more appropriate for DNOs to calculate the tariffs because other price changing events can occur in addition to the Allowed Revenue and Transmission Exit changes.	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	All suppliers receive the same information in the Clause 35A tables and so each is in a position to update the CDCM as they deem necessary. Unlocked versions of the CDCM models have been published on the website for this purpose.	
UK Power Networks	We feel that it would be more appropriate for Suppliers to update the latest CDCM model and conduct 'what if' scenarios to suit their needs. DNOs should only be involved in utilising the models to produce published indicative and final charges. The live models are readily available and therefore any Supplier or other stakeholder can update the model to suit their needs.	
Western Power	Yes, this would be better to leave to those suppliers that wished to see	

	this information to update the CDCM themselves. It may or may not be a competitive advantage for suppliers to do this type of exercise themselves.	
Question Five	The Working Group considered all of the inputs to the charging models, but concluded that it was only practical to review Allowed Revenue and Transmission Exit Charges on a quarterly basis for the purpose of this DCP. Do you believe that any other inputs should be considered? If so, please provide details of the inputs with supporting information.	Working Group Comments
British Gas	We agree with the conclusion of the working group.	It was noted that on the whole respondents agree collectively with the views of the working group, i.e. that Allowed Revenue and Transmission Exit can be reviewed quarterly and volume forecasts should be passed to the DCMF MIG.
Electricity North West Ltd	No, we believe that these are the only 2 inputs that should be considered.	
Haven Power	We think that Volume Forecasts should also be considered; however we understand that this will be looked at separately by DCMF MIG.	
Opus Energy	Overall demand forecasts would have the biggest impact of the remaining input. We acknowledge that this is largely dependent on weather, which can't be forecast in advance, however there are elements of volume that can be forecast in advance, for example national demand decay to due to energy efficiency measures.	
Npower	We would like to see DNOs latest view of forecast volume data being reviewed – perhaps on a 6 month basis	
Scottish Power Energy	We believe that volume forecasts could also be reviewed on a quarterly basis as more up to date information becomes available (e.g. influence of weather on forecast demand) and would be of more benefit to suppliers than just the two being considered in this change.	
SP Distribution_SP Manweb	We agree that there are no other inputs that could be updated on a quarterly basis at this time.	
Smartest Energy Ltd	Volumes should be considered. We agree that most other inputs are either static or impractical to review on a quarterly basis.	
SSE Energy Supply Ltd	Yes. The reports need to include the impact of external events such as those listed above.	

Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No	
UK Power Networks	No we do not believe any other inputs can be reviewed more than annually. The vast majority are only calculated once a year, or are taken from data which is only available once a year, or taken from a given year, resulting in a quarterly review not being possible.	
Western Power	No	
Question Six	DNOs: Please can you provide an estimation of the likely resources required to review Transmission Exit Charges and Allowed Revenue and calculate illustrative tariffs on a quarterly basis.	Working Group Comments
British Gas	N/A	It was noted that the responses to this question were similar in theme to earlier responses. The Working Group noted that whilst it would only be done once by each DNO for each region, the amount of internal checks before the information could be published is quite extensive. This needs to be weighed up against the time required by Suppliers to produce this information themselves.
Electricity North West Ltd	To produce a new set of tariffs, we would extract the relevant data from the DCUSA cost information submission and update the CDCM model or Annual Review pack as appropriate. The updated model would be checked and published on our website. We would estimate that this would take between 2-5 man days, depending on the actual requirement and the quality control and authorisation process that will be required.	
Haven Power	N/A	
Opus Energy	N/A	
Npower	N/A	
Scottish Power Energy	N/A	
SP Distribution_SP Manweb	Updating CDCM models on a quarterly basis and issuing illustrative tariffs will require significant resource.	
Smartest Energy Ltd	N/A	

SSE Energy Supply Ltd	Supplier comment. The DNO may need to spend some time evaluating the impact of pending Change Proposals and delayed data changes (CP 136 etc).	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	One to two days per DNO area every quarter.	
UKPower Networks	These inputs are already reviewed on a quarterly basis for the schedule 15 submission, which requires extensive sign off prior to publication. The concern which we would have is issuing quarterly illustrative tariffs based upon these revised inputs will also require further extensive internal approval, which will be a significant call upon the resource to carry out this activity. We believe that this exercise will require a couple of days to model and gain approval for each DNO, when we do not believe that this provides anything which parties cannot do already today.	
Western Power	Possibly of the order of 3 person days extra per quarter to allow for checking etc.	
Question Seven	Although the Working Group considered volume forecasts, it was felt that at this time it could not be dealt with as part of the CP and instead is being considered at the DCMF MIG. Do you agree with this approach? Please provide supporting comments.	Working Group Comments
British Gas	We agree with this approach and would be better reviewed following work of the DCMF MIG.	The Working Group noted that only one respondent felt that volume forecasts would be better addressed through DCP 126. Other respondents were comfortable with volume forecasts being passed to the MIG for further debate.
Electricity North West Ltd	Yes, we agree that the volume forecast should not be considered as part of this change proposal.	
Haven Power	Yes, we feel that this is the logical approach given the current work that is being done on HH and NHH charging. If the DCMF MIG doesn't review Volume Forecasts revisions and their inclusion in the forecast tariff information then they should be revisited by this DCP Working Group later in 2012/early 2013.	

Opus Energy	As this is a significant input it would be best to include it. However, if this is not practical it should still be considered by the MIG.	The Working Group agreed that it was comfortable that volume forecasts had gone to the appropriate place.
Npower	Volume impacts are a key source of volatility within CDCM. It is difficult for suppliers to predict what the DNOs will forecast. This was raised at DCMF MIG and has been put on hold. We do not agree with this approach since volume impacts on CDCM need to be stabilised. We believe it could have been dealt with in this CP.	
Scottish Power Energy	Yes, we would support further work that could lead to regular updates of volumes. This information would provide more benefit to suppliers in helping to predict changes in charges.	
SP Distribution_SP Manweb	Yes we agree with this approach.	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Yes – The working group agreed that updating volume forecasts on a quarterly basis would not be worthwhile, and so whilst the issue of variances in volume forecasts still remains, it can't be addressed within this Change Proposal. The MIG are therefore in a better position to deal with this issue.	
Smartest Energy Ltd	Yes	
SSE Energy Supply Ltd	<p>It is appropriate to consider volume forecasts at the DCMF MIG.</p> <p>It is generally recognised that the forecast of kWh volumes is the most significant driver of DUoS price rebalancing. It is also known that the forecast can't be produced prior to the winter preceding the April, when the DUoS price change is due.</p> <p>A forecast of tariff level DUoS prices, that excludes the volume forecasts, is of limited value, but may be the best that can be achieved.</p>	
UK Power Networks	We believe it is appropriate for CDCM volumes to be debated as part of the DCMF MIG. Any changes or attempts to fix volume forecasts will have a significant impact upon the DNOs ability to collect the Allowed Revenue	

	as determined by Ofgem as part of the price review. We do not believe that under the current regulated environment that volumes can be fixed or restricted, but welcome the wider discussion as part of the MIG.	
Western Power	Yes	
Question Eight	Some of the Working Group considered that providing quarterly forecasts of inputs that could be revised along with sets of illustrative tariffs, alongside the usual October and April indicative and final tariffs might see too many possible charges published by DNOs and could in fact confuse parties. Do you agree with this view? Please provide supporting information.	Working Group Comments
British Gas	<p>These concerns are understood, as previously mentioned, this is why we believe it is important that it should be & that the tariffs are for illustrative purposes only. We believe If illustrative tariffs are only published as part of DCP66 statement publications this shouldn't cause too much confusion.</p> <p>The availability of the latest information will prove valuable from a supplier prospect. This should help to give to help give greater visibility of potential revenue/tariff movements for future forecast and pricing decisions.</p>	The Working Group noted that similar to previous questions there was broadly a split between DNOs and Suppliers in the responses to this question.
Electricity North West Ltd	We agree that publishing quarterly prices could be misleading for some stakeholders who might rely on these prices without realising that they are likely to change substantially. As a DNO, we often get queries regarding the different information that is available and there is sometimes confusion between the meaning of indicative and final tariffs. Introducing a new set of tariffs that is not firm and likely to change will only add to this confusion.	
Haven Power	No, as a Supplier we would welcome the additional information and believe that it would be extremely helpful. At the moment the lack of information and transparency causes significant difficulties that this information would go some way to resolving. Given that it would be correctly labelled as part of DCP0066 we do not feel that it would be confusing.	
Opus Energy	We feel this extra information would provide greater clarity rather than	

	confusion as long as it's properly labelled and explained.	
Npower	We do not believe this to be the case. Details on what the illustrative forecasts are needs to be provided with the forecast.	
Scottish Power Energy	We don't believe that the publication of additional information is necessarily confusing and it is within the power of DNOs and Suppliers to manage the information that is published appropriately. We would however want to ensure that information that is published is of value and could not be misinterpreted in any way.	
SP Distribution_SP Manweb	We agree that formally publishing tariffs that will not apply will add to the confusion of both suppliers and customers.	
Smartest Energy Ltd	We do not think that parties would be confused if illustrative tariffs were labelled clearly and appropriately.	
SSE Energy Supply Ltd	No. If such a problem does exist, it's caused by too many changes being applied simultaneously, rather than by too many reports being issued.	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Agree that this will become confusing since the illustrative tariffs may be very different from both the indicative and final tariffs since the majority of inputs will be reviewed/updated for tariff setting.	
UK Power Networks	We strongly believe that for the DNO to publish illustrative tariffs it could cause more confusion than clarity. Even currently as a DNO we will receive enquires from parties confused between differences in our indicative and final charges, and which would apply. If we were to publish four additional sets of charges, none of which will ever actually become final charges (as volumes and / or other inputs would always be revised for an actual price change), then we believe that some parties would not be able to easily determine what they should be looking at when locating the current or future charges.	

Western Power	Yes – please see earlier answer.	
Question Nine	The Working Group notes that RIIO final Allowed Revenues will not be known until November 2014. For the purposes of this DCP, what do you think would be the most appropriate means of forecasting Allowed Revenue prior to the RIIO Allowed Revenues being determined? For instance, latest internal view, 2014/15 uplifted by RPI or latest published business plan view, etc... Please provide supporting information.	Working Group Comments
British Gas	We think allowed revenues should be on the basis of the latest internal view. This should be consistent with business plans and updated to take into account initial proposals.	<p>The Working Group noted that the majority of respondents agreed that the 2014/15 uplifted for RPI method was the preferable method. It was highlighted by a Working Group member that this may be the easiest rather than the most appropriate method.</p> <p>It was noted that Suppliers do not currently have a view as to what future Allowed Revenue will be. It was the view of some Working Group members that each DNO's 'best view' would be preferable to an RPI derived value as it would provide Suppliers with a more valuable figure.</p> <p>It was noted that Ofgem will be publishing initial proposals for Allowed Revenue in June 2014 and final in November 2014. However, customers on two and</p>
Electricity North West Ltd	The data published should be consistent with that used by DNOs in the DCUSA cost information publication every quarter.	
Haven Power	<p>With regards to RIIO and two of the most important factors to Suppliers and their customers are certainty and early visibility of charges. A firm decision clearly communicated and taken early to give Suppliers the opportunity to plan their charges is essential.</p> <p>Our preferred option would be for a RPI uplift for 2014/15 with any under or over recovery managed by a smoothing factor in years two and three of RIIO ED1.</p>	
Npower	This question highlights the difficulties faced by suppliers. It is unclear at the moment what the best view of the information should be. We would be interested to discuss this in more detail at the working group and with Ofgem. We would like to see a best view approach and explanation of the numbers	
Opus Energy	The latest published DNO business plan seems the most logical source.	
Scottish Power Energy	We believe that whatever method is currently being used by DNOs in publication of other forecasts (DCP030/066A, Annual Review Packs) is the most appropriate as this would ensure consistency when compared with other sources of information. We would also want this to be consistent across DNO Parties.	

SP Distribution_SP Manweb	We do not believe it appropriate to consider the basis for forecasting allowed revenue as part of this DCP.	three year contracts are being priced now beyond this point.
Smartest Energy Ltd	No comment	<p>The Working group noted the npower comment regarding the need for a wider discussion.</p> <p>The Ofgem representative at the meeting noted that it is right to have a debate within the industry as to what is the most appropriate data to use in the DCP066 statement. It was agreed that this was not applicable only to this change proposal but a wider issue.</p> <p>The Working Group agreed that the question of how to derive the Allowed Revenue figure to be used in DCP066 statements should be added to the agenda for the next meeting of the DCMF MIG.</p>
SSE Energy Supply Ltd	<p>In order of increasing preference:-</p> <p>(a) 2014/15 uplifted by RPI. Only to be used as a last resort.</p> <p>(b) The Distributor's latest business plans.</p> <p>(c) Any relevant documents issued by OFGEM. This is the best option.</p> <p>We don't want forecasts based on a Distributor's bargaining position in the Price Control negotiations with OFGEM, as they will inevitably be too high.</p>	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	We believe that 2014/15 uplifted by RPI would be the most appropriate method.	
UK Power Networks	We believe that currently we can do nothing other than provide 2014/15 value uplifted by RPI, as we will know nothing else at this time. The business plans are yet to be submitted to Ofgem, and even once they are agreed the values which are ultimately agreed upon could be quite different and a DNO is unlikely to be comfortable with using these values prior to them being agreed, especially as they could vary dramatically.	
Western Power	2014/15 uplifted by RPI – consistent approach across all DNOs. Little subjectivity involved.	
Question 10	DCP 136 'Notice period for asset cost changes in the CDCM' has been raised seeking to require DNOs to provide fifteen months notice prior to any change of inputs before there is any impact	Working Group Comments

	upon DUoS Charges. If DCP 136 were not to be implemented do you believe that the inputs referred to in the change proposal should be considered as part of this DCP? Please provide relevant supporting information on how and why.	
British Gas	No Comment	The Working Group discussed the consultation responses and noted that the inputs under consideration by DCP 136 take a significant amount of resource to review and are reviewed less than annually. Therefore, there would be limited benefit in reviewing them on a quarterly basis.
Electricity North West Ltd	We do not think it would be appropriate to include changes to asset data every quarter. This data requires the 500MW model to be run and the service models to be re-assessed. This is a substantial piece of work for DNOs with a big resource implication.	
Haven Power	Yes, DCP 136 is not implemented then we believe inputs need to be considered as part of this DCP in order to ensure parties have the earliest possible notice of the effect of these inputs on DUoS charges.	
Npower	Yes, suppliers would like to see as much transparency as possible on information affecting future tariffs	
Opus Energy	One of the reasons for not including these inputs in the modification is that that they are being dealt with in DCP136. Therefore if DCP136 does not pass then it would be sensible to reconsider whether they can be dealt with in this way.	
Scottish Power Energy	A concern with DCP126 is that it would only update Allowed Revenue and Transmission Exit Charges. This would not take into account changes in other inputs and could result in the risk of illustrative charges which do not resemble the tariffs that are ultimately published. It would seem logical therefore that an extension to the number of inputs being considered as part of this CP (as long as it is seen that they do vary within the year) would constitute an improvement.	
SP Distribution_SP Manweb	All inputs have been considered by the working group, including those affected by other DCPs.	
Smartest Energy Ltd	Yes.	
SSE Energy Supply Ltd	Change Proposal 136 affects the requirements of this CP. CP 136 delays a data change to improve the predictability of DUoS prices, so we need to know the impact of the data change when it's finally implemented. The CP 126 reports would evaluate this impact on a quarterly basis, together	

	with the impact of any other concurrent price related changes. CP 126 could act as a reporting tool for CP 136, even though that was not it's original intent.	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	We have concerns regarding the 15 month notice period as the latest available data would not be used in the model and it would therefore not be cost reflective. For this reason, we would not support the inclusion of this within DCP 126.	
UK Power Networks	The inputs referred to in DCP136 are values that could only be reviewed annually, and so would not be possible to be included as part of this review.	
Western Power	Not at this stage.	
Question 11	In addition to those described in Section 4 of the consultation document, 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.	Working Group Comments
British Gas	No	The Working Group noted that there were a couple of comments regarding looking at the whole picture, but on the whole most respondents feel that the group has considered the other CPs that may impact or be impacted by DCP 126.
Electricity North West Ltd	DCP 150 to provide 15 months notice for some CDCM inputs will reduce the volatility of tariffs and reduce the need for quarterly tariffs.	
Haven Power	N/A	
Npower	All proposed changes to date make the model inputs more predictable. We believe the benefit of this change outweighs any potential impacts of ongoing changes.	
Opus Energy	No	
Scottish Power Energy	There are a number of changes currently being progressed that seek to improve the frequency and availability of information relating to the CDCM and DUoS tariffs. We are aware of concerns from some parties that the increased information being requested from DNO Parties, at times when they are already publishing indicative and final charging statements, may be confusing and or lead to errors. However we do not	

	believe that this is unavoidable and instead feel that the benefits to Suppliers and consumers of increased predictability and transparency around DUoS tariffs outweigh these risks.	
SP Distribution_SP Manweb	None	
Smartest Energy Ltd	No	
SSE Energy Supply Ltd	No	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Our comments on this DCP are based upon consideration of its potential impacts on DUoS Tariffs in isolation. The cumulative/net effect of all DCPs currently being considered has not been modelled, therefore making an assessment of the combined impact on DUoS tariffs is difficult. Our opinions in this document are provided on that basis, and we urge that DCP's are progressed with some caution until these cumulative/net impacts can be modelled and assessed for each of the 14 LDSO Areas.	
UK Power Networks	No we do not consider any changes in addition to those referred to in section 4 are relevant.	
Western Power	No	
Question 12	Do you consider that the proposal better facilitates the DCUSA Objectives? Please provide supporting information.	Working Group Comments
British Gas	We agree with The Working Group that General Objective Two (2) and Charging Objective Two (2) is better facilitated by DCP 126.	The working group noted that there was a general agreement that it does better facilitate the objectives, although not all respondents agreed.
Electricity North West Ltd	No. In our opinion, the change proposal is likely to lead to increased confusion and over-reliance on prices which are likely to change substantially. Also with both the discharge of obligations from the Licence and the promotion of efficiency in the implementation and administration this CP will produce additional costs to the DNO.	
Haven Power	Charging volatility is a significant problem for all suppliers, especially smaller suppliers looking to grow and new entrants. We believe that the increasing the level of detail provided as part of an already established reporting cycle (DCP0066) will better facilitate competition in line with	

	objective 2 by mitigating this to an extent at the very least. We also feel that it will help to promote efficiency in line with objective 4.	
Npower	Options 2 – This promotes competition since it gives the market a consistent view of DUoS forecasts moving forward.	
Opus Energy	<p>We support the proposer's view that the proposal would better facilitate the following objectives:</p> <p>a) 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).</p> <p>It would better facilitate competition between suppliers as they would be more certain about the distribution costs they will face in the future and therefore be exposed to less risk. Risk which is inevitably passed on to end consumers.</p> <p>Having the information easily available to all suppliers would mean that smaller supplier's would not be disadvantaged in the risk they face because of a lack of resources to dedicate to this forecasting</p> <p>b) <i>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.</i></p> <p>Same as a)</p>	
Scottish Power Energy	Provision of additional information relating to, and an earlier indication of, changes to DUoS charges will allow suppliers to improve their own forecasting and pricing strategy. This will in turn further effective competition between suppliers and facilitates CDCM and General Objectives (2).	
SP	We do not agree with the working group's assessment that General	

Distribution_SP Manweb	Objective 2 and Charging Objective 2 are better met as we do not believe that the illustrative tariffs produced would provide improved accuracy of likely final tariffs.	
Smartest Energy Ltd	We believe that this change proposal meets the General Objectives 2 and 4.	
SSE Energy Supply Ltd	Yes. The reasons given in the proposal document are correct.	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Arguably, General Objective 2 and Charging Objective 2 are better met. However, given that only Transmission Exit Charges (which are unlikely to have a large affect on tariffs) and Allowed Revenue will be updated on a quarterly basis, the extent to which the objectives are better facilitated is questionable.	
UK Power Networks	We do not believe that this change better facilitates the DCUSA objectives, in that there is no requirement under the licence to provide this level of detail on a quarterly basis.	
Western Power	We do not believe this change proposal meets any of the objectives as suppliers are already able to obtain this information using a copy of the model, which is already provided by DNOs via the ENA website, and using the information provided through DCP066.	
Question 13	Do you have any comments on the proposed legal text?	Working Group Comments
British Gas	No	The Working Group noted that there were no comments on the legal text.
Electricity North West Ltd	No comments.	
Haven Power	No	
Npower	No	
Opus Energy	No	
Scottish Power Energy	We have no comments on the legal text at this time.	
SP Distribution_SP Manweb	None	
Smartest	No	

Energy Ltd		
SSE Energy Supply Ltd	No	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No	
UK Power Networks	We believe that the legal text is appropriate for the change.	
Western Power	None	
Question 14	Are you supportive of the proposed implementation date of 31 January 2013?	Working Group Comments
British Gas	Yes	The Working Group noted that the majority of respondents were supportive of the proposed implementation date.
Electricity North West Ltd	Yes	
Haven Power	Yes.	
Npower	Yes	The Working Group noted that some respondents did not support the proposed implementation date and agreed that to have the first occasion of this work in between indicatives and finals would not be ideal. Moving the implementation to late April/early May would be preferable from this perspective.
Opus Energy	Yes	
Scottish Power Energy	We support the implementation date of 31/01/13.	
SP Distribution_SP Manweb	No we are not supportive of the implementation date of 31 January 2013, final Tariffs are due to be published in February and therefore a resource intensive time for DNOs.	
Smartest Energy Ltd	Yes	The proposer noted that he would
SSE Energy	Yes	

Supply Ltd		<p>not argue with the implementation date being moved to 1 April 2013 but would not like it to move further.</p> <p>It was agreed by the working group that the implementation date should be moved to 1 April 2013 so that the first set of illustrative tariffs would be published for May 2013.</p>
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	If this was implemented, the 30 th April 2013 would be more suitable.	
UK Power Networks	Yes because this would allow for use with the schedule 15 publication due to be issued at the start of February 2013, although does this align with a DCUSA publication?	
Western Power	No, if it were to be implemented then it should be after finals are set and at the next DCP66A immediately after - i.e. May 2012.	
Question 15	Are there any alternative solutions or matters that should be considered by the Working Group?	Working Group Comments
British Gas	No	<p>It was noted that respondents had no listed any alternative solutions or matters that should be considered by the Working Group.</p>
Electricity North West Ltd	No	
Haven Power	No	
Npower	No	
Opus Energy	No	
Scottish Power Energy	None that we are aware of.	
SP Distribution_SP Manweb	None	
Smartest Energy Ltd	No	
SSE Energy Supply Ltd	No	
Southern Electric Power Distribution plc	Not at this time.	

and Scottish Hydro Electric Power Distribution plc		
UK Power Networks	No	
Western Power	None	
Question 16	Do you have any further comments on DCP 126?	Working Group Comments
British Gas	No	<p>The Working Group noted that the Ofgem conclusion following its consultation on volatility was due soon but that it should not have an impact on DCP 126.</p> <p>It was suggested that there may not yet be enough data to support ENW's suggestion that current DCUSA change proposals and MIG issue 22 are all likely to substantially reduce the level of charging volatility.</p>
Electricity North West Ltd	The Ofgem review of volatility, current DCUSA change proposals and MIG issue 22 are all likely to substantially reduce the level of charging volatility and consequently reduce the underlying need for this change proposal.	
Haven Power	No	
Npower	No	
Opus Energy	No	
Scottish Power Energy	None at this time.	
SP Distribution_SP Manweb	None	
Smartest Energy Ltd	No	
SSE Energy Supply Ltd	<p>The proposal document implies that price rebalancing between tariffs only occurs as a result of changes to the data tables in the CDCM model. This is not true.</p> <p>One of the main benefits of CP 126 would be to report on the impact of Change Proposals that are imposed on the CDCM as outlined above. It would also capture the combined impact of multiple Change Proposals being applied either on the same date, or in quick succession.</p>	
Southern Electric Power	Not at this time.	

Distribution plc and Scottish Hydro Electric Power Distribution plc		
UK Power Networks	No	
Western Power	No	