

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 / Urgent
CP Number	DCP 114
Date of submission	07/12/11
Attachments	Legal Drafting Appendix A
Originator Details	
Company Name	SP Distribution
Originator Name	Paul McGimpsey
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	paul.mcgimpsey@scottishpower.com
Phone Number	0141 614 1951
Change Proposal Details	
CP Title	NTC Amendments - Capacity Management (Over Utilisation)
Impacted parties	DNOs/IDNOs/Suppliers/DG
Impacted Clause(s)	Schedule 2B, Section 3 (Clause 12) and Section 4 (Clause 13)
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	None
Change Proposal Intent	
<p>To provide rights to the DNO, within the NTC, to take appropriate action where connected customers are found to be over utilising their maximum import capacity (MIC) and/or maximum export capacity (MEC).</p> <p>The changes proposed are aimed at ensuring DNOs are better able to react to, and influence, customer behaviours where agreed MIC and/or MEC levels are breached.</p>	
Business Justification and Market Benefits	
<p>The DCMF Capacity Management Group was set-up to consider the issues and challenges faced by the electricity industry in managing the capacities of customers connected (and yet to be connected) to the GB electricity distribution networks. As part of its remit, the Capacity Management Group considered the rights currently available to DNOs (under both the Electricity Act and the NTC) to take action in those circumstances in which customers were found to be breaching their MIC/MEC, whether to the detriment of other customers, the network or otherwise.</p> <p>During this assessment, gaps were identified in both legislation and the NTC which stand in the way of DNOs taking proportionate action to address circumstances of capacity breach and as a result restrict</p>	

DNOs' ability to efficiently manage their distribution networks.

The proposed NTC amendments introduce clearly defined rights for the DNO to take action to address circumstances in which customers over utilise their MIC/MEC. These amendments will better enable DNOs to fulfil their statutory duties to develop and maintain efficient, co-ordinated and economical distribution networks and ensure the optimum utilisation and allocation of capacity.

Proposed Solution and Draft Legal Text

This change proposal recommends that the following rights are incorporated into the NTC:

1. Ability for the DNO to reset MIC/MEC at a level which is aligned with customers' actual usage and, where appropriate to do so, levy charges which are calculated in accordance with the Connection Charging Methodology Statement.
2. Ability for the DNO to install additional equipment to limit a given customer's usage.

(See attached proposed drafting)

Proposed Implementation Date

First release after a decision by the Authority.

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

None identified.

Environmental Impact

We believe this change proposal may reduce losses, and delay requirements for network reinforcements, on a case by case basis. The value of this would, however, be difficult to quantify.

Confidentiality

No

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

Rationale for better facilitation of the DCUSA Objectives identified above

The options available to DNOs, under the NTC, to influence customer behaviour and prevent breaches of MIC/MEC are extremely limited. Where dialogue with customers fails, the only recourse available to DNOs is the threat of de-energisation. Other than in the most severe of circumstances, DNOs have resisted enforcing this ultimate sanction.

The proposed NTC changes will provide DNOs with real alternatives to de-energisation and as a result better enable DNOs to ensure:

- 1) Fair allocation of costs - where new works are required to facilitate an increase in MIC/MEC, the DNO is given a clear route to levy connection charges on the party triggering the requirement for those works;
- 2) Fair allocation of costs – where previously completed works have facilitated the increase in MIC/MEC, the DNO is given a clear route to levy connection charges on the party taking advantage of those previously completed works. This helps to discharge the DNO's obligations under the Electricity (Connection Charges) Regulations; and
- 3) Reinforcement costs are delayed – e.g. customers are incentivised to maintain MIC/MEC within the level(s) agreed with the DNO.

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

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

Rationale for better facilitation of the DCUSA Objectives identified above

CDCM Objectives:

General Objectives:

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

This change proposal has been prepared by the DCMF Capacity Management working group (comprising DNOs, Suppliers, customer representatives, IDNOs and Ofgem) and been reviewed at the DCMF.

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.

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