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| <b>Meeting Name</b>     | DCUSA Panel  |
| <b>Meeting Date</b>     | 18 November 2011   |
| <b>Paper Title</b>      | Initial Assessment Report: DCP 110   |
| <b>Purpose of Paper</b> | For Decision   |
| <b>Synopsis</b>         | This paper presents an urgent Change Proposal that has been submitted to the DCUSA Secretariat and requests agreement from the Panel on its progression. |

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## **1 INTRODUCTION**

- 1.1 This paper refers DCUSA Change Proposal 110 to the DCUSA Panel for agreement on its progression.
- 1.2 The Change Proposal (CP) has been assessed by the Secretariat in accordance with Clause 10.11 of the DCUSA. The CP has met the requirements set out in the DCUSA, and ElectraLink has prepared a recommendation for consideration by the Panel.
- 1.3 The CP has been categorised as an urgent CP in accordance with Clause 10.7.3 as it relates to a current issue that, if not addressed, may cause one of the parties to be in breach of a Relevant Instrument.

## **2 DCP 110 – ELECTRICITY AND GAS (INTERNAL MARKETS) REGULATIONS 2011**

2.1 DCP 110 has been raised by UK Power Networks. The intent of the CP is to update the DCUSA to reflect the Electricity and Gas (Internal Markets) Regulations 2011, SI 2704.

2.2 The regulations came into force on 10 November 2011, and the licence changes are set out in Schedule 8:

[http://www.legislation.gov.uk/uksi/2011/2704/pdfs/uksi\\_20112704\\_en.pdf](http://www.legislation.gov.uk/uksi/2011/2704/pdfs/uksi_20112704_en.pdf)

2.3 The regulations add a new DCUSA objective into the distribution licence that needs to be reflected in the DCUSA and, which requires other consequential changes to the Agreement, as set out in the body of the CP.

## **3 PROGRESSION OF DCP 110**

3.1 The CP seeks to amend multiple clauses in DCUSA Section 1 'Governance and Change Control'. It has therefore been classified as a Part 1 matter in accordance with Clause 9.5.1, which identifies that any changes to Sections 1B and 1C will require Authority consent.

3.2 The CP has been categorised as an urgent CP in accordance with Clause 10.7.3 as it relates to a current issue that, if not addressed, may cause one of the parties to be in breach of a Relevant Instrument.

3.3 The Secretariat recommends that DCP 110 is progressed directly to the Report Phase in accordance with Clause 11.61 as it solely concerns a variation to the Agreement that is obligatory by virtue of legislation.

3.4 It is recommended that the CP is passed to the DCUSA Legal Counsel for review, before the Change Report is presented to the Panel. Given the urgency of this CP, it is further recommended that progression of the CP is managed by the Panel ex-committee by email, as far as this is reasonably practical.

3.5 It is proposed that the CP is implemented in an extraordinary release as soon as reasonably practical following Authority consent.

3.6 A proposed timetable for the progression of the proposal is outlined below.

| <b>Activity</b>                            | <b>Target Date</b>                 |
|--|------------------------------------|
| Initial Assessment Report issued to Panel  | 18 November 2011                   |
| Legal Review                               | 21 – 28 November 2011              |
| Change Report issued to Panel for approval | 1 WD following legal review        |
| Change Report issued for voting            | 1 WD following Panel approval      |
| Party Voting                               | 5 WD                               |
| Change Declaration issued                  | 1 WD following voting end date     |
| Authority Determination                    | 25 WD following change declaration |
| Implementation                             | ~2WD following Authority consent   |

#### **4 RECOMMENDATIONS**

4.1 The DCUSA Panel is asked to:

- Accept the referral of DCP 110;
- Agree that the CP should be treated as an urgent change;
- Agree that the CP should be treated as a Part 1 matter;
- Agree that the CP should be progressed directly to the Report Phase; and
- Agree the progression of the CP in accordance with the timetable set out in Section 3.6.

#### **5 APPENDIX**

5.1 Appendix A – DCP 110 Change Proposal