



DCUSA CONSULTATION

DCP 103 – DUoS Charges for Sub 100kW HH
Settled Sites

1 PURPOSE

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors, Suppliers and large Generators. Parties to the DCUSA can raise Change Proposals (CPs) to amend the Agreement with the consent of other Parties and (where applicable) the Authority.
- 1.2 This document is a Consultation issued to DNO, IDNO, Suppliers, ELEXON, and the Authority in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 103 - DUoS Charges for Sub 100kW HH Settled Sites.
- 1.3 Parties are invited to consider the Working Group's questions in conjunction with Appendix B - Proposed Legal Drafting amendments.
- 1.4 Comments should be submitted using the Response Form attached as Appendix C to dcusa@electralink.co.uk by Friday, 8 June 2012.

2 DCP 103 – DUOS CHARGES FOR SUB 100KW HH SETTLED SITES

- 2.1 Suppliers are currently starting to install HH capable metering into sites that are currently settled in the NHH market on profile classes 1-8. To maximise the benefits of Time of Use tariffs, Suppliers need to be able to ensure that changes in customers' consumption patterns are reflected through the electricity settlement arrangements. The most efficient way to reflect these behaviour changes through settlements is to transfer the customer to the HH elective settlement regime (measurement class E).
- 2.2 Under the current DUoS charging arrangements, Distributors would charge any sites settled through measurement class E as if they were over 100kw sites. The charges that would be levied would therefore not be appropriate for customers currently on profile classes 1 – 8 who Suppliers then choose to transfer to measurement class E.
- 2.3 DCP 103 has been raised by British Gas and seeks to provide a mechanism whereby Distribution businesses are able to charge the same Use of System charges for customers currently on profile classes 1 – 8, whose Suppliers choose to transfer them to measurement class E as those customers on Profile

classes 1 – 8 and settled under measurement class A.

- 2.4 The proposal is clear that the current methodology whereby a site is settled through the Balancing and Settlement Code (BSC) should not be a determinant of how Use of System charges are levied. Use of System charges should be based on a combination of the connection point and the load being used by the customer. If Distributors are able to levy appropriate Use of System charges for measurement class E, this will enable Suppliers to pass on the benefits of Time of Use tariffs to customers through the HH settlement regime.

3 CONSULTATION

- 3.1 The DCUSA Panel established a Working Group to assess DCP 103. The Working Group agreed that an additional Consultation should be issued to determine whether Parties are supportive of the legal drafting of DCP 103 and also the impacts it would have upon them and the industry if implemented.

- 3.2 Respondents are asked to consider the following questions:

- For DNOs: Distributors require information on Supplier's customers currently on Measurement Class E in order to undertake the modelling (Clause 30.18). The legal text is requesting the equivalent tariff for each Metering Point. In order to refine the legal text what type of information is needed to carry out the modelling – Is it numbers of customers on each tariff or the units associated with each tariff, or both?
- There are three instances where notification of the tariff is to be provided. It is proposed that the first two will align with known effective from dates, be it the implementation date of the tariff (Clause 30.20) or the first change of Measurement Class (Clause 30.22). On the third, it is only the Supplier who will know because there are no data flows being sent between parties. The Working Group discussed the latter (Clause 30.25) in more detail and discussed whether, in order to avoid retrospective amendments and the corresponding impacts associated with having to undertake cancelling and rebilling processes that are likely to be more costly than the difference in the Use of System Charges, the effective date be set to 5 Working Days from the request, with an alternative being to make it effective from the 1st of the following month, thereby avoiding two bills in the same month. Do you agree

with the first two dates aligning with the implementation date of the tariff, and the initial change of Measurement Class? Which option do you prefer for the third instance? Do you have any alternative proposals?

- The section of the legal text which outlines the process associated with tariff changes has been placed outside of Schedule 16 as it is not part of the methodology modelling process, albeit it does provide input data to the process. It is suggested that it is applied to Clause 30 – Provision of Information; an alternative clause may be Clause 19 – Charges. Please provide comments and views on where you think it is appropriate to insert this section legal text within the DCUSA.
- The Working Group also discussed a situation where no notification is received. In such circumstances under Clause 30.18, Clause 30.19 or Clause 30.21 the Company may apply:
 - The most appropriate tariff based on the Company's assessment; or
 - Apply a default tariff equivalent to that of a Domestic Unrestricted tariff.
- Do you believe Distributors should have the flexibility to assess for themselves what such a tariff should be? Also is the default tariff an appropriate one?
- The legal text associated with Schedule 16, Para 72 has been amended as a consequence of separating the process for tariff changes. Are you supportive of the modification to this text?
- Are there any unforeseen issues that haven't been addressed?
- Please state any other comments or views on the Change Proposal.

3.3 Responses should be submitted using Appendix C to DCUSA@electralink.co.uk no later than **Friday, 8 June 2012**.

- 3.4 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate which parts of their response are to be treated confidentially.

4 NEXT STEPS

- 4.1 Following the end of the Consultation period, the responses will be reviewed by the DCP 103 Working Group. The Working Group will then determine the progression route for the CP.
- 4.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA Help Desk by email to dcusa@electralink.co.uk or telephone Michael Walls on 020 7432 3014.

5 APPENDICES

- 5.1 Appendix A – DCP 103 DUoS Charges for Sub 100kW HH Settled Sites
- 5.2 Appendix B – DCP 103 Proposed Legal Drafting
- 5.3 Appendix C – Response Form