



DCUSA CONSULTATION

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

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, Consumer Focus, ELEXON, any other interested Parties 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 questions in conjunction with the following Appendices:
 - Appendix A - Proposed Legal Drafting
 - Appendix B - Example LC14 Statement
- 1.4 Comments should be submitted using the Response Form attached as Appendix C to dcusa@electralink.co.uk by 4 November 2011.

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 site's 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 PREFERRED OPTION FOR PROGRESSION OF DCP 103 - CREATE NEW TARIFFS AND BILL ON A SITE SPECIFIC BASIS.

- 3.1 A change to the CDCM would be undertaken to update Schedule 16 of DCUSA and the CDCM model to cover off a Profile class 1-8 set of HH tariff's that would mirror the DUoS charges currently in place for the equivalent Profile class 1-8 NHH tariff's. This would then be reflected in the Distributor's LC14 statement together with the applicable day/night time periods. There would also be a need to create a new LLFC in MDD in order to differentiate it from the current NHH-settled Profile class 1-8 tariffs. It is expected that the DUoS charges for the new HH-settled Profile class 1-8 tariff's would be the same as that of the current NHH-settled Profile class 1-8 tariff's (e.g. the capacity and reactive charge would be set to zero).
- 3.2 The Supplier would change the site to Measurement Class E from Measurement Class A.
- 3.3 The Distributor would be able to change the LLFC of each site on receipt of the change of Measurement Class (choosing the appropriate LLFC based on the previous Profile Class and SSC) and forward this back via MPRS to the Supplier. Since the Distributor is automatically assigning customers to the new HH tariff, this would in effect be mandatory for Domestic Measurement Class E customers i.e. there would no longer be an option for such customers to use

the current HH tariffs (with red/amber/green unit charges and capacity charges). A Supplier who wanted a Domestic customer to be charged on the current HH tariffs would have to register them under Measurement Class C.

3.4 The HHDC once appointed will obtain the HH data (D00275/D0036) from each site and send to the Supplier and Distributor as well as to the HHDA (D0036).

3.5 The MOP will send the HH meter technical details.

The proposed implementation date for DCP103 is February 2012.

4 CONSULTATION

4.1 The DCUSA Panel established a Working Group to assess DCP 103. The Working Group agreed that a Consultation should be issued to determine whether Parties are supportive of the intent of DCP 103 and the impacts it would have upon them and the industry if implemented.

4.2 Respondents are asked to consider the following questions:

- Do you understand the intent of DCP 103 and are you supportive of its principles? Provide supporting comments.
- Provide comments on the Working Group's proposed option for the progression of this. Please include within your comments whether you feel that this option adequately meets the intent of DCP 103, and if there are any details that you consider require further consideration by the Working Group.
- Do you believe that the intent of DCP 103 is adequately met by the proposed legal text (Appendix A), or that there are alternative ways of meeting the intent of DCP 103?
- Provide comments on the proposed legal text, and please detail any areas within the DCUSA that you consider may require further consideration or amendments.
- Do you consider that DCP 103 better facilitates the DCUSA General and CDCM Objectives? Please provide supporting comments.
- Do you agree with the proposed implementation date? If you are directly affected by the implementation of DCP 103, what system changes will be

required? Please include within your comments the costs and timelines of any system changes.

- The Working Group previously sought DNO feedback on spare capacity that is currently available in their billing systems for NHH customers to move to elective HH. As there is a finite amount of space available there will have to be a threshold placed on the amount of Customers who can transfer on to the elective HH market. Respondents are asked to consider the following questions:
 1. The Working Group reviewed the RFI responses and agreed that the fairest way to allocate this available space would be by current market share, whilst reserving an agreed amount for new entrants to the market. Can you provide comments on whether you agree that this is the most appropriate way to proceed, as well as, your preferred method of establishing market share within the Industry.
 2. Do you feel that there are any items that the Working Group should also consider when using a market share based approach in establishing a threshold?
 3. Provide any further comments about establishing a threshold, ways of implementing this, and any other comments relevant to this topic.
- The Working Group recognises that if DCP 103 is implemented, the current NHH tariffs will be mirrored in the HH market and this will affect the current elective HH settled Customers. Please provide supporting comments to each of the following questions:
 1. Provide an impact assessment to identify any of your current Customers that would be affected by this change, and whether they would benefit or be disadvantaged by the change in tariff.
 2. Describe any mitigation measures you would need to employ in order to offset the effects of this on the current elective HH settled Customers.
 3. Provide your opinion on whether this would require a renegotiation of their current contracts.
- Do you think unmetered supplies should be included within the implementation of DCP 103? Please provide supporting comments.

- Provide comments on the example LC14 Statement that is attached as Appendix B.
- In regard to IDNO HH billing, please provide your preference as to whether you would like to continue to receive DNO/IDNO billing, or whether it would be preferable to receive two separate bills, one for HH and one for elective HH. Provide supporting comments.
- Are there any unforeseen issues that haven't been addressed?
- Please state any other comments or views on the Change Proposal.

4.3 Responses should be submitted using Appendix D to DCUSA@electralink.co.uk no later than **4 November 2011**.

4.4 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.

5 NEXT STEPS

5.1 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.

5.2 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.

6 APPENDICES

6.1 Appendix A – DCP 103 Legal Drafting

6.2 Appendix B – Example LC14 Statement

6.3 Appendix C – Response Form