

DCUSA DCP 102 Consultation Responses – Collated Comments

	Question One	Do you understand the intent of DCP 102?	Working Group responses
1	British Gas	Yes	Noted
2	GDF Suez	Yes	Noted
3	Northern Powergrid	Yes	Noted
4	Spark Energy	Yes	Noted
5	Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Yes	Noted
6	SP Distribution / SP Manweb	Yes.	Noted
7	UK Power Networks	Yes	Noted
	Question Two	Are you supportive of its principles? Provide supporting comments.	
8	British Gas	Yes, we support the principles of this change. It will bring clarity to the calculation of credit cover and a common approach for distributors to calculate the 15 day value.	Noted
9	GDF Suez	Yes, on the grounds of simplification and standardisation of DNO credit cover procedures which will reduce our administrative costs and contribute to us being able to give better value to customers.	Noted

10	Northern Powergrid	Yes This DCP ensures that the method of calculating the Fifteen Day Value used for credit cover monitoring is consistent across all DNOs.	Noted
11	Spark Energy	Yes. As a small supplier the implementation of a consistent approach in calculating the 15 day value will enable us to better predict our credit cover position.	Noted
12	Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No. We feel that this is an unnecessary change and are not convinced that there is a material issue with the existing arrangements.	Noted that the respondent was not supportive of the CP.
13	SP Distribution / SP Manweb	No, we do not believe the suggested solution supports using the most up to date data available. The reference to using data 'raised in previous month' means utilising the billing values of the previous month again for the 15 day calculations.	Noted that the respondent was not supportive of the CP.
14	UK Power Networks	Yes it clarifies the calculation.	Noted
	Question Three	<p>Does the proposal better facilitate the DCUSA general Objectives (please specify which)?</p> <ol style="list-style-type: none"> 1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System. 2. The facilitation of effective competition in the generation and supply of electricity 	

		<p>and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity.</p> <p>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</p> <p>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</p> <p>5. Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators</p>	
15	British Gas	2 and 4.	Noted.
16	GDF Suez	Objectives 1, 3 and 4.	Noted.
17	Northern Powergrid	Northern Powergrid feels that this DCP supports Objective 4.	Noted.
18	Spark Energy	1, 2, 3, and 4	Noted.
19	Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	We do not see how implementation of the proposed change would make any material improvement to achieving any of the DCUSA general objectives. The suggested improvements in facilitating objectives 2 and 4 set out in the consultation are at best very woolly in our view. The statement that "the CP will assist new	The Working Group noted the view, however the majority of respondents agreed that the CP would provide clarity and assist new entrants.

		entrants by giving them transparency and provide effective competition" is a particularly weak argument for the CP.	
20	SP Distribution / SP Manweb	We do not believe the DCUSA general objectives are better facilitated by this proposal.	Working Group noted the view; however the majority of respondents agreed that the CP does meet the Objectives.
21	UK Power Networks	2. Because there is more clarity for (new entrant) suppliers as to how the cover calculation will be performed.	Noted.
	Question Four	Is there appetite for calculating the Fifteen Day Value used for credit cover monitoring based on the previous calendar month's billing?	
22	British Gas	Yes. We believe that by using this method it will improve the predictability of credit cover.	Noted.
23	GDF Suez	No comment.	Noted.
24	Northern Powergrid	Northern Powergrid feel that this method of calculating the fifteen day value is acceptable as we use the previous calendar month's billing values.	Noted.
25	Spark Energy	Yes	Noted.
26	Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	We do not see any necessity to change from the existing DCUSA wording or any material benefit from doing so.	Noted.
27	SP Distribution / SP	No. The proposed solution takes no account of	The CP does state that the most recent

	Manweb	<p>the potential for substantial movement in the values attributable to Suppliers in terms of seasonal or business fluctuation, nor does it recognise that from the Supercustomer perspective, daily values are available to both Suppliers and DNO's via the Daily D0242 flows, and these would be substantially more up to date.</p> <p>The proposal to use older data will increase risk to the DNO's in that in times of rising throughput, the greater risk from default lie with DNO's, while in a reducing seasonal patterns, cover is likely to be in place from the recent higher cover values. We do not see why the most recent full month's charge can't be used to calculate the 15 day average.</p>	months. Not trying to go back 2 months.
28	UK Power Networks	This is what we already do.	Noted.
	Question Five	Do you have any comments on the proposed legal text drafting?	
29	Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	We do not agree with the proposal and do not wish to see this text enacted. We wish to retain the existing text as it remains entirely fit for purpose.	Noted.
30	SP Distribution / SP Manweb	We believe the basis of the 15 day calculation should be the 'latest' available charges, whether billed in current or previous month, according to the established billing cycle. It does not make sense to base average on e.g. month of March	The Working Group noted that this is not the intent of the CP, and it does seek to use the most recent month.

		when you already have data for month of April available.	
31	UK Power Networks	It clarifies what we believed the text already required.	Noted.
	Question Six	Do you have any additional comments?	
32	SP Distribution / SP Manweb	We would like to see evidence of where calculations are being varied beyond what can reasonably be predicted by Suppliers. Taking latest billing values of bills covering 30 or 31 days, no matter what period covered, should readily be used for calculating a further 15, without adding any other complexity. The proposal as stated is rendering the data substantially out of date, and possibly creating more ambiguity, (note we do bill in calendar months presently, HH around 2nd and SC around 21st of subsequent month).	SP confirmed that they that the current DCUSA drafting was already sufficient. The Working Group felt that the CP although a minor change does add clarity and is of merit.