



DCUSA Change Report

DCP 091 and DCP 091A - PUBLICATION OF
TARIFFS AND ANNUAL CHARGE ESTIMATES

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 091 and DCP 091A – Publication of Tariffs and Annual Charge Estimates. The voting process for the proposed variations and the timetable of the progression of the CP through the DCUSA Change Control Process is set out in this document.
- 1.2 Parties are invited to consider the proposed amendments which are attached as Appendices A and B and submit their votes using the form attached as Appendix D to dcusa@electralink.co.uk by 15 September 2011.

2 SUMMARY

- 2.1 Through the development of the CDCM and EDCM, Ofgem has instructed Distributors to keep customers informed of any changes to their DUoS charges and to provide them with sufficient information to enable them to understand the charging methodology associated with the charges.
- 2.2 As currently drafted, the DCUSA does not expressly permit Distributors to publish DUoS tariff and DUoS charge information based on Supplier consumption data. There is concern that the confidentiality clauses of the DCUSA conflicts with Ofgem's instructions and DCP 091 and DCP 091A seek to address this inconsistency.
- 2.3 DCP 091 has been raised by UK Power Networks and seeks to amend the DCUSA to permit Distributors to publish DUoS tariff and DUoS charge information. DCP 091 seeks to define the charge information as the Use of System tariffs, actual charges, charge estimates and the elements that construct the charges to Connectees.
- 2.4 DCP 091A has been raised by Electricity North West and seeks to broaden the definition of charge information by outlining that the Company will make available 'any information' which will enable the Connectee to understand how the Use of System Charges applicable to their Metering Point/s are determined by the Distributor.

3 DCP 091 – WORKING GROUP

- 3.1 The DCUSA Panel established a Working Group to assess and develop DCP 091. During its review of the CP the Working Group agreed to propose an alternative DCP 091A which seeks to broaden the definition of the

information that Distributors are able to disclose.

- 3.2 The EDM derogation letter published by Ofgem on 30 September 2010 requires Distributors to “work closely with customers to ensure they understand the methodology and their illustrative charges such that they are up to date and are able to comment on project developments where they wish to. This should include working with customers to explore ways in which they might be able to manage their use of system costs”.
- 3.3 Section 34 of the DCUSA sets out the confidentiality restrictions on Distributors and Clause 34.2.3 details the confidential information that Distributors are able to disclose.
- 3.4 There is no current allowance for Distributors to publish DUoS tariff and DUoS charge information which would allow Distributors to assist customers in understanding their DUoS charges.
- 3.5 Suppliers have previously expressed concern that Distributors have been sharing confidential information with Customers in breach of the DCUSA In September 2010 the DCUSA Panel published a note reminding Parties of the confidentiality clauses in the DCUSA which limits the type of information that Distributors can disclose. .
- 3.6 DCP 091 seeks to expand this list within the DCUSA to include the provision of “DUoS tariffs, actual charges, charge estimates and the elements that construct the charges to Connectees”. This will allow Distributors to meet Ofgem’s requirements and remove the risk of non-compliance.
- 3.7 DCP 091A was raised in order to broaden the information that Distributors disclose within the DCUSA to include “any information which will enable the Connectee to understand how the Use of System Charges applicable to their Metering Point/s are determined by the Distributor.”
- 3.8 The intent of DCP 091 and DCP 091A is written that such information could be provided on a ‘request or need’ basis – i.e. at the request of a customer or in the event of a change to charges.
- 3.9 Due to the nature and timing of the contract in place between the Customer and the Supplier (e.g. fixed annual costs) there may be differences between the Distributor’s forecast DUoS costs and the final charge passed on to the Customer. The Working Group considered that if necessary Suppliers should

be able to explain any such differences to their Customers. Ofgem identified that whilst there is a contractual relationship between the Supplier and the Customer, there also needs to be a relationship between the Customer and the DNO.

4 CONSULTATION

- 4.1 A Consultation was issued on DCP 091 in May 2011 to give all Parties an opportunity to review and comment on the CP. The Working Group responses to the Consultation comments have been attached as Appendix C.

5 PROPOSED LEGAL DRAFTING

- 5.1 The proposed legal drafting of DCP 091 and DCP 091A has been drafted by Wragge and Co and is attached as Appendices A and B.

6 EVALUATION AGAINST THE DCUSA AND CHARGING OBJECTIVES

- 6.1 The Working Group considers that DCP 091 and DCP 091A will better facilitate:
- Objective 1¹: DUoS charges include pricing signals that may encourage Customers to modify their behaviour to reduce their charges. As a result, Distributors will be able to manage their networks more efficiently.
 - Objective 2²: Consumers will be better informed about the composition of their charges enabling them to compare Suppliers, which will promote competition.
 - Objective 3³: There is a Licence Condition requiring Distributors to ensure customers understanding the charging methodologies. This CP will ensure Distributors are free to share information with customers to support this.

¹The 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 and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity

³ The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences

7 IMPLEMENTATION

- 7.1 DCP 091 and DCP 091A have been classified as Part 1 in accordance with Clause 9.4.1 as the CP is likely to have an impact on customers who would otherwise not have the benefit of DNO based information and would have to make their own estimates of the impact of DUoS tariff changes. The CP therefore requires Authority consent.
- 7.2 The proposed implementation date is 03 Working Days following Authority consent, which will allow Parties to hold stakeholder workshops during October and enable Distributors to provide individual customer charges at their workshops.

8 ENGAGEMENT WITH THE AUTHORITY

- 8.1 Ofgem has been fully engaged throughout the development of DCP 091 and DCP 091A as a member of the Working Group.

9 PANEL RECOMMENDATION

- 9.1 This Change Report was approved at the 31 August 2011 Panel meeting. The Panel considered that the Working Group had carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on the CPs.
- 9.2 The DCUSA Panel agreed that all DCUSA Parties are entitled to vote on this CP. Parties are directed to vote either to accept one variation and reject the other or to reject both variations.
- 9.3 The timetable for the progression of the Change Proposal is set out below:

Activity	Date
Change Report issued for voting	01 September 2011
Voting closes	15 September 2011
Change Declaration	16 September 2011
Authority Determination	21 October 2011
DCP 091/091A Implemented	03 Working Days Following Authority Consent.

10 APPENDICES:

Appendix A - DCP 091 - Legal Drafting

Appendix B - DCP 091A- Legal Drafting

Appendix C - DCP 091 - Consultation Documents

Appendix D - DCP 091 and DCP 091A - Voting Form