



## **DCUSA Consultation**

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### DCP 089 – DNO (I) DNO Billing

## 1 PURPOSE

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors and electricity 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 all DCUSA Parties, consumer representatives and the Authority in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 089 'DNO (I) DNO Billing'.
- 1.3 Parties are invited to consider the proposed drafting set out in Appendix A and submit comments using the form attached as Appendix B to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) by **24 June 2011**.

## 2 DCP 089 – DNO (I) DNO BILLING

- 2.1 DCP 089 has been raised by UK Power Networks following the completion of the IDNO/DNO Billing Group. CP seeks to update the DCUSA to reflect the recommendations made by the IDNO/DNO Billing Group and the decisions made by Ofgem<sup>1</sup> regarding boundary metering.
- 2.2 The IDNO/DNO Billing group looked at portfolio billing for use of system charges and considered billing arrangements and processes between Licensed DNOs (LDNOs), LDNOs are either an IDNO or a DNO operating out of area. The group agreed an interim solution where data is provided to DNOs by Supplier Volume Allocation Agent (SVAA) for NHH meters and LDNOs for HH customers. SVAA data is provided as a result of NSC modification P246. This CP addresses the remaining aspects of NHH and HH billing resulting from placing portfolio billing into the DCUSA.
- 2.3 The CP will bring the DCUSA inline with current practice while recognising that changes may come about through the EHV Distribution Charging Methodology (EDCM) and other industry codes that arise from the work of the IDNO/DNO

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<sup>1</sup>Ofgem decision on 'IDNO/DNO boundary equipment and which parties should fund this equipment'  
<http://www.ofgem.gov.uk/Networks/ElecDist/Policy/IDNOs/Documents1/Final%20boundary%20metering%20decision.pdf>.

Billing Group.

### **3 WORKING GROUP ASSESSMENT**

- 3.1 The DCP 089 Working Group is comprised of IDNOs and DNOs.
- 3.2 The DCP 089 Working Group was fully supportive of the intent of the proposal and agreed to carry out a consultation to give all Parties the opportunity to review and comment on the proposal. This is to ensure there will be no adverse impact on existing arrangements or any unforeseen consequences if the CP is implemented.

### **4 ASSESSMENT AGAINST THE DCUSA OBJECTIVES**

- 4.1 The DCP 089 Working Group has identified that DCUSA General Objective 1 is better facilitated by this CP. The CP will update the DCUSA to reflect metering at boundaries as recommended by Ofgem. Those changes, while reflecting current practice, give a better understanding to Parties of their obligations and provide transparency to new entrants.
- 4.2 The DCP 089 Working Group also identified DCUSA General Objective 3 as being facilitated by this CP. The CP will effectively discharge and ensure that parties are compliant with their license obligations. The CP also describes how compliance is agreed.

### **5 LEGAL DRAFTING**

- 5.1 The proposed legal drafting is attached as Appendix A.

### **6 IMPLEMENTATION**

- 6.1 The proposed implementation date for DCP 089 is the 03 November 2011.

### **7 CONSULTATION**

- 7.1 The Working Group is seeking views on the below questions:

- Do you understand the intent of the CP and are you supportive of its principles?
- Do you consider that the proposal better facilitates the DCUSA objectives? Please give supporting reasons.
- Do you have any comments on the proposed legal text?
- Are there any alternative solutions or matters that should be considered?
- Are you supportive of the proposed implementation date of 03 November 2011?
- Please state any other comments or views on the Change Proposal.

7.2 Responses should be submitted using Appendix B to [DCUSA@electralink.co.uk](mailto:DCUSA@electralink.co.uk) no later than **24 June 2011**.

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

## **8 NEXT STEPS**

8.1 Following the end of the consultation period, the responses will be reviewed by the Working Group, the Working Group will then finalise the drafting of the CP and submit its final report to the Panel. Following Panel approval, the Change Proposal will be issued to all DCUSA Parties for voting and subsequently issued to Ofgem for final determination.

8.2 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](mailto:DCUSA@electralink.co.uk) or telephone 020 7432 3011.

## **9 APPENDICES**

9.1 Appendix A – Proposed legal text

9.2 Appendix B – Response form