

DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to dcusa@electralink.co.uk for assessment by the DCUSA Panel. Failure to complete all parts of the form will result in it being rejected.

PART A – Mandatory for all Change Proposals

PART B – Mandatory for all Change Proposals

PART C – Guidance Notes

PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	<p>Standard / Urgent</p> <p>The rationale for the change being urgent is as follows:</p> <ol style="list-style-type: none"> 1. There is a likelihood that the failure to properly allocate the HV component of such costs may lead to an adverse commercial impact on IDNOs. 2. To enable DNOs to make changes in accordance with the normal regulatory timetable of changes. <p>We also make the comment that the delay in submitting this change proposal was as a consequence of giving DNOs the opportunity (through the DCMF) to review the change prior to submission. We recognise that the review of prospective changes is outside the scope of DCUSA (and the current change process) and the remit of Panel members. Nonetheless we feel it appropriate to make the point to parties that, if submitting prospective changes to DCMF for review introduces delays to their implementation, then parties may have to dispense with the courtesy of submitting changes to the DCMF prior to formal DCUSA submission.</p>
CP Number	DCP 071
Date of submission	23/08/10
Attachments	
Originator Details	
Company Name	The Electricity Network Company limited
Originator Name	Michael Harding
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	mike.harding@gtc-uk.co.uk
Phone Number	07920 238095
Change Proposal Details	
CP Title	CDCM change – Allocation of cost to HV connected IDNOs with LV end users
Impacted parties	IDNOs and DNOs
Impacted Clause(s)	Schedule 16.
Part 1 / Part 2 Matter	Part 1

Related Change Proposals	
Change Proposal Intent	
<p>Ofgem outlined in paragraphs 2.39 – 2.41 of its decision document ref: 140/09 on the “Common Distribution Charging Methodology at Lower Voltages”, that the CDCM methodology for allocation of cost to HV connected IDNOs with LV end users is not appropriate and should be dealt with under open governance. Ofgem’s recent decision on the charging boundary between the EDCM and CDCM ref: 90/10 allows this matter to now be progressed and resolved.</p> <p>The intent of this change proposal is that the CDCM be modified so that for IDNO networks connected at HV, the allocation of the “HV component” of the methodology is split in an appropriate and cost reflective manner between the DNO and the IDNO network. i.e. to recognise that where the IDNO provides connections to LV consumers, but connects to the DNO network at HV, it will provide part of the HV network and incur HV costs.</p> <p>This issue has previously been raised in the DCMF where the proposer undertook an action to formally raise a change proposal.</p>	
Business Justification & Market Benefits	
<p>To improve the cost reflectivity of current LDNO portfolio tariffs and to address licence obligations not to restrict, distort or prevent competition in distribution.</p>	
Proposed Solution	
<p>See proposal intent.</p> <p>The solution involve a modification of the CDCM methodology to enable HV to HV costs to be included and split in a proportionate and cost reflective manner between the DNO and IDNO for HV connected IDNOs with LV end users</p> <p>We understand that the approach to this work is not dissimilar to that which was done in respect of IDNO HV customers.</p>	
Proposed Implementation Date	
<p>October 2010</p>	
Environmental Impact	
<p>No detrimental impact identified</p>	

PART B – MANDATORY FOR ALL CHANGE PROPOSALS

DCUSA Objectives
<p><u>General Objectives:</u></p> <p>a) The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks</p>

- b) The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity
- c) The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- d) The promotion of efficiency in the implementation and administration of this Agreement

CDCM Objectives:

- a) that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence
- b) that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)
- c) that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business
- d) that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business

Rationale for better facilitation of the DCUSA Objectives identified above

General Objectives:

Objective b

CDCM Objectives:

Objectives b and c are satisfied

Confidentiality

Not confidential / Confidential to DCUSA Panel (and any subsequent DCUSA Working Group)

PART C - GUIDANCE NOTES FOR COMPLETING THE FORM

Data Field	Guidance
Attachments	Append any proposed legal text or supporting documentation in order to better assess the CP.
Change Proposal Intent	Outline the issue the CP is seeking to address. Please note that the intent of the CP cannot be altered.
Confidentiality	Clearly indicate if your comments are to remain confidential to the DCUSA Panel and Ofgem.
CP Status	A CP may be deemed 'urgent' in accordance with Clause 10.4.8 of the DCUSA. The proposer should also give supporting reasons.
DCUSA Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
Environmental Impact	[to be updated following July Panel meeting]
Part 1 / Part 2 Matter	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
Proposed Implementation Date	[to be updated following advice on timetable for CDCM releases]
Proposed Solution	Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions.
Rationale for DCUSA Objectives	Provide supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.
Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.