

DCUSA Change Proposal Form

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

Please return completed forms to DCUSA@electralink.co.uk for assessment by the DCUSA Panel.

Document Control	
CP Status	Standard
Date Submitted	4 th September 2009
CP Number	<i>Assigned by Secretariat</i>
Version Number	1.0
CP Ref	<i>Assigned by Secretariat</i>
Attachments	None

Originator Details	
Party Name	British Gas
Originator Name	Kevin Woollard
Party Category	Supplier
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Change Proposal Details	
CP Title	Provision of Cost information - Regular Meeting
Impacted DCUSA Parties	Distributor / Supplier
Impacted Clause / Schedule	35A Provision of Cost Information
Authority Consent Required	Yes
Summary of Change	Additional requirement to be added to clause 35A to oblige DNOs to hold a meeting/teleconference within 14 days of submission of the table in Schedule 15. All Suppliers to be invited. Meeting to be held to provide opportunity for DNO to provide commentary to assist Suppliers in understanding of the data presented within the table. The meeting will also provide opportunity for Suppliers to ask questions relating to the table, for example underlying assumptions used by the DNO in preparing the data presented within the table and for the DNO to provide a response.
Related Change Proposals	None

Change Proposal Intent
<i>Please set out the intent of the CP and the issue it is seeking to address</i>
DCP 030 was implemented with effect from 26 th February 2009. Since this date two sets of Cost Information have been provided by the DNOs. When analysing the tables submitted under Schedule 15 we have found that it is would be of benefit to be able to ask the DNOs supplementary questions relating to the

data submitted. These questions have been related to the assumptions used by the DNO is preparing the data submitted and related to the changes made to the estimates since the last table was submitted.

One DNO has voluntarily held a teleconference to which all suppliers were invited to explain the rationale behind the preparation of the tables and invite any questions on the data presented. We have found this to be extremely helpful in the understanding of the tables and in our ability to use the data in our forecasting models.

We would therefore like to have the ability to meet with all DNOs to discuss the tables submitted under Schedule 15.

We have raised this issue under the DCMF which is the equivalent body where these discussions take place within the gas industry but have been informed that these meetings should be held under the governance of the DCUSA.

This issue has also been raised at the Standing Issues Group on 31st July where the group agreed that the most effective way to implement this requirement would be to put an obligation on DNOs to convene such meetings in the DCUSA.

Business Justification & Market Benefits

The provision cost information by the DNOs helps Suppliers to improve the accuracy of their forecasts and assessments and also provide greater certainty of future distribution charges. The ability to question DNOs on the assumptions made in preparing the cost information will help Suppliers when using the cost information for forecasting purposes. In addition understanding the reasons for changes in the data between submissions will also assist Suppliers in preparing more accurate forecasts of costs and reducing uncertainty.

Proposed Implementation Date

Please specify and give a reason if proposed date is outside the release schedule (February / June / November)

February 2010 – or as soon as Distributors can meet the requirement.

Proposed Solution

Please insert proposed change marked legal drafting here. The Change Proposal Intent will take precedence in the event of any inconsistency

35A.5 The Company will within 10 Working Days of sending the completed table to the Secretariat convene a meeting to which all Suppliers are to be invited. At the meeting the Company will provide a commentary to assist in the understanding of the data presented within the table and will give Suppliers the opportunity to ask questions regarding the table and will provide Suppliers with a response to those questions.

DCUSA Objectives

Please state which DCUSA Objective(s) will be better facilitated by this CP and give supporting reasons

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;

We believe this proposal better facilitates competition:

- As it will enable Suppliers to improve accuracy of their forecast and assessments
- As it will provide greater certainty of future charges, both within the immediate price control and subsequent price control
- Between suppliers as it will enable suppliers to compete more effectively due to the additional clarity this proposal will provide

Environmental Impact

Please indicate whether you consider that there may be any environmental impact as a consequence of this CP being implemented

We are quite happy for these meetings to be held via teleconference to minimise the environmental impact of this proposal.