

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 / Urgent |
| Date Submitted | 22 August 2009 |
| CP Number | DCP 046 |
| Version Number | V1.0 |
| CP Ref | 08/09 |
| Attachments | A) DCUSA drafting based on earlier version B) Licence modification |

| Originator Details | |
|--------------------|------------------------------------|
| Party Name | EDF Energy Networks (EPN) plc |
| Originator Name | Peter Waymont |
| Party Category | Distributor / Supplier / IDNO / DG |
| Email Address | Peter.waymont@edfenergy.com |
| Telephone Number | 07875 112757 |

| Change Proposal Details | |
|----------------------------|--|
| CP Title | Common Distribution Charging Methodology Governance |
| Impacted DCUSA Parties | Distributor / Supplier / IDNO / DG |
| Impacted Clause / Schedule | See attachment |
| Authority Consent Required | Yes |
| Summary of Change | To bring governance of the Common Distribution Charging Methodology under DCUSA if the distribution license is modified to require that. |
| 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> | |
| <p>The intent is to bring in the changes that will be required to DCUSA regarding the governance of the distribution charging methodologies, as applicable.</p> <p>A License modification requiring the governance of these is being consulted upon by Ofgem and is attached for reference (see Condition 22A). This consultation closes on 4th September. If not vetoed, the methodologies and their governance will fall within the scope of DCUSA, with effect from 1 April 2010 for the common methodology, due to a requirement of distribution licenses.</p> | |

The DCUSA drafting for the governance should reflect the requirements of the final License modification.

The attached drafting was worked up by a subgroup of the CDCM work. The drafting attached contains their proposals based on the then current DCUSA. The intent of attaching this is to propose these changes to the current DCUSA, showing them in context, albeit that this will need to be updated to reflect the current DCUSA (noting interactivity with other CPs) and the final License condition.

The CP is considered urgent due to the time-bound nature of the external factors driving it.

[Note (not formally part of the intent) –

This CP is not drafted to bring about the introduction of the methodology itself into DCUSA. The proposer instead recommends that a two stage approach is adopted i.e. get the governance in early under this CP, leaving the way clear for how to modify the schedules to bring the methodology into DCUSA subsequently under another CP. This approach should avoid interactivity of the CPs and avoids waiting for the methodology to be agreed before commencing change work.

The proposer suggests that Wragge's be involved in any working group from the start.]

Business Justification & Market Benefits

Licence compliance.

Proposed Implementation Date

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

Must be effective from 1 April 2010.

However, using a two stage approach, the governance changes can be incorporated early i.e. to get the governance into DCUSA as soon as possible with blank schedules, and then another CP can vary the methodology into the schedules, having clarity of the DCUSA layout and hence changes required, with effect from 1 April 2010.

Proposed Solution

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

See attachment A.

[The proposer recommends that consideration should be given to the point at proposed Clause 5.3.8 as to whether this should truly be a Panel duty, as was proposed by the CDCM workstream.]

DCUSA Objectives

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

1. ~~The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks;~~
2. ~~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;~~

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

- ~~4. The promotion of efficiency in the implementation and administration of this Agreement.~~

Objective 3 is better facilitated if the Licence change is made.

Environmental Impact

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

None