

<b>DCUSA CHANGE REPORT</b>	
<b>CHANGE PROPOSAL</b>	DCP 039 - Part 2B - Change to notice period provisions for changes to charges to IDNOs
<b>DATE OF ISSUE</b>	09 February 2009
<b>ISSUED TO</b>	DCUSA Contract Managers
<b>PARTIES ENTITLED TO VOTE</b>	DNO and IDNO Parties
<b>RETURN DEADLINE (Voting End Date)</b>	16 February 2009 – <a href="mailto:DCUSA@electralink.co.uk">DCUSA@electralink.co.uk</a>

## 1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA. The Change Report details DCP 039 'Part 2B - Change to notice period provisions for changes to charges to IDNOs'. The voting process for the proposed variation 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 amendment attached as Appendix A and submit votes using the form attached as Appendix C to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) by 16 February 2009.

## 2 BACKGROUND

- 2.1 DCP 039 was raised on 02 February 2009 and submitted to the Panel on 04 February 2009. DCP039 was assessed as an urgent change as it is linked to an imminent date-related event. The Panel determined that the CP should be entered into the Assessment Phase and requested that the CP be progressed directly through to the Report Phase. The CP impacts Part 1 Matters and is subject to Authority Consent.

## 3 SUMMARY OF DCP 039

- 3.1 DCP 039 was raised by The Electricity Network Company. The CP seeks to clarify the provisions of Clause 43 to enable DNOs and IDNOs to agree alternative notice periods of variations to charges and alternative implementation dates.
- 3.2 IDNOs and DNOs are working to develop and deliver DUoS charges for IDNOs but it is increasingly unlikely that such charges can be delivered for a 1<sup>st</sup> April implementation date and implementation during May could be necessary.
- 3.3 DCUSA's legal advisors have indicated that Clause 43.1 does allow alternative implementation dates to 1<sup>st</sup> April or the 1<sup>st</sup> October, however

Ofgem has indicated that its interpretation of the drafting limits the implementation to those dates. Any variation may be a breach of the DCUSA and therefore a breach of the licence. DCP 039 proposes clarifying the current drafting to address the issue, recognising that failure to implement this change could result in implementation of new/revised tariffs to IDNOs being delayed until October 2009.

- 3.4 The purpose of the CP is to facilitate the process and does not mandate the obligation. The drafting of the clause is for DNOs to agree separately with each User (under section 2B) alternative notice periods and implementation dates .i.e. separately with each IDNO. This is because, whilst the DCUSA has multiple signatories, the agreement is between one party and another. However, in practice DNOs will need to reach common agreement with all relevant Users.
- 3.5 This proposal deliberately excludes any changes to Clause 19. Changing Clause 43 does not impact on the notice periods that Distributors have to give Suppliers.

#### **4 PANEL CONCLUSIONS**

- 4.1 The Panel considered that DCP 039 should be treated as an Urgent CP in accordance with Clause 10.7 of the Agreement as it is linked to an imminent date-related event. The Panel agreed that the CP be categorised as a Part 1 matter in accordance with Clause 9.5 of the Agreement as it impacts Clause 43.1 – Charges.
- 4.2 The Panel agreed that the CP should be entered directly into the Report Phase noting that it has already been widely discussed amongst DNO and IDNO Parties. The Panel noted that the CP seeks only to clarify the drafting and that there were no alternative proposals to be considered.
- 4.3 The Panel agreed with the view of the Proposer that the Change Proposal will better facilitate DCUSA Objective 2 and 3 of the DCUSA as set out in Appendix A.
- 4.4 The Panel considered that DCP 039 impacts DNO and IDNO Parties and agreed that the CP should be issued to those Parties for a voting period of 5 Working Days. The Panel agreed that it would be beneficial if the CP could be implemented in the February 2009 Release but noted that this was dependent on the timescales for Ofgem approval. The Secretariat would need to receive notification from Ofgem by midday on 25 February in order to implement the CP in the February Release.
- 4.5 The content of the Change Report was approved by the Panel on 06 February 2009.

#### **5 PROPOSED AMENDMENT AND LEGAL DRAFTING**

- 5.1 The proposed legal drafting for DCP 039 has been drafted by Wragge and Co. and is set out in Appendix B.

#### **6 TIMETABLE**

- 6.1 In accordance with Clause 12.4 of the DCUSA the Panel has determined a 5 Working Day voting period.
- 6.2 The timetable for the progression of the Change Proposal is set out below:

ACTIVITY	DATE
Party Voting	09 – 16 February
Change Declaration	17 February
Authority Consent	Up to 5 weeks
Implementation	ASAP following Authority Consent

**Appendices:**

- A. DCP 039 v1.0
- B. DCP 039 – Legal Drafting
- C. DCP 039 - Voting Form