

DCUSA CHANGE REPORT	
CHANGE PROPOSAL	Distribution Standard Licence Condition 4a review (DCP009) affecting Section 2B
DATE OF ISSUE	04 August 2008
ISSUED TO	DCUSA DNO and IDNO Contract Managers Ofgem
PARTIES ENTITLED TO VOTE	All DNO and IDNO Parties
RETURN DEADLINE (Voting End Date)	26 August 2008 – DCUSA@electralink.co.uk

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA. The Change Report details DCP 021 - Distribution Standard Licence Condition 4a review (DCP009) affecting Section 2B. The voting process for the proposed variation and the timetable of the progression of the Change Proposal (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 F to dcusa@electralink.co.uk by 26 August 2008.

2 BACKGROUND

- 2.1 DCP 021 was raised by Electricity North West Limited on 09 April 2008. The CP was considered by the DCUSA Panel at its meeting on 16 April 2008. The Panel assessed the CP as a standard (non urgent) Part 1 matter in accordance with Clause 9.5 of the Agreement as it impacts Section 1C (Change Control), Clause 1 (Definitions and Interpretation) and Clauses 43.1 and 43.2 (Use of System Charges). The Panel directed that the CP should be progressed through the Definition Procedure and established the DCP 021 Working Group to assess and develop the CP.

3 SUMMARY OF DCP 021

- 3.1 DCP 021 was raised by Electricity North West Limited to update Section 2B of the DCUSA to reflect the changes introduced to Section 2A by DCP 009 as a consequence of the Licence Condition 4a Statement review. DCP 009 was implemented prior to Section 2B (DCP012) but the amendments made in the CP are equally relevant to Section 2B. It was recognised by the DCP012 Working Group that should DCP009 be accepted, this section of DCUSA would need to be further impacted and require a future amendment.
- 3.2 The proposer considers that the CP will better facilitate DCUSA Objective 4¹ by ensuring that the Agreement accurately reflects the changes made to the Licence Condition 4a Statement and the rest of the DCUSA document.

4 DCP 021 WORKING GROUP

- 4.1 The DCUSA Panel established a Working Group to consider the Change Proposal. The DCP 021 Working Group comprised the following members:
 - Donna Townsend – ESP Electricity Limited
 - Frank Welsh – Electricity North West Limited
 - Glenda Simons – The Electricity Network Company

¹ The promotion of efficiency in the implementation and administration of this Agreement.

- Glenn Sheern – E.ON UK
- John Lawton – Electricity North West Limited
- Jonathon Purdy – EDF Energy Networks
- Mike Smith – Western Power Distribution

4.2 The Working Group met on 07 May to consider the CP and assess it against the DCUSA Objectives. Members agreed that they were supportive of the principle of the CP and noted that the proposed drafting broadly mirrored the approved drafting from DCP 009 but recognised that not all the Clauses would be applicable for Distributor to Distributor relationships. Members agreed that this was a pragmatic approach.

4.3 The Working Group members noted that the Proposer considered that DCUSA Objective 4² would be better facilitated by the proposal as it will ensure that the DCUSA fully reflects the Licence changes and is accurate. Members agreed with this assertion and also suggested that, as with DCP 009, the CP would better facilitate Objective 3³ by:

- Providing further clarity, consistency and transparency of the services covered by the Relevant Charging Statements; and
- Implementing an enduring solution to facilitate the enhanced regime being put into place by the revision to the SLC 4a statement.

4.4 Working Group members considered that they were satisfied with the principle of the proposal and proposed solution and did not wish to raise any alternative proposals. The Working Group agreed that DCP 021 should be issued to all Parties for consultation.

5 DCP 021 CONSULTATION

5.1 The DCP 021 Consultation was issued to all DCUSA Contract Managers on 02 June 2008 for a period of 10 Working Days and 11 responses were received. The Working Group met on 30 June to consider the responses received. The consultation responses are attached as Appendix E.

5.2 The Working Group noted that all respondents considered that the DCUSA Objectives would be better facilitated by the introduction of DCP 021. Members noted that all Parties considered that the CP better facilitated the DCUSA Objective 4 and a number considered that Objective 3 was also better facilitated by the proposal.

5.3 The Working Group noted that all respondents confirmed that there were no other alternatives they wish to be considered and that no Parties expected to incur any costs as a result of the CP, although one respondent noted that

² The promotion of efficiency in the implementation and administration of this Agreement.

³ The efficient discharge by distributors of the obligations imposed upon them by their licence.

as a result of the proposal there will be an administrative burden in its implementation.

- 5.4 The Working Group noted that there was a 100% positive confirmation of the proposed implementation date of 06 November 2008.
- 5.5 The Working Group noted that Parties, Suppliers in particular, were asked to confirm that they were satisfied with the proposed amendment to Clause 19.1 which seeks to differentiate between the services provided under Section 2A and Section 2B of the DCUSA. The Working Group noted that of the responses received 4 of the respondents (3 of which were Supplier Parties) were satisfied while 3 Distributor respondents provided neutral or not applicable responses.
- 5.6 Working Group members noted that one Party asked whether it would be appropriate to consider the wider impacts of the Distribution Licence Review as part of DCP 021. The Working Group noted that the Panel is taking forward a separate CP in light of the Distribution Licence Review and that this CP is expected to be raised in August 2008.
- 5.7 Working Group members noted that another Party commented on the current DCUSA Change Process recommending that a "more robust change process is put in place to handle concurrent changes on the same area of Code in the future". The Working Group noted that the DCUSA Panel has commenced a review of the Change Process and that a 'suggestions log' is being maintained to capture improvements that will require changes to the DCUSA.

6 WORKING GROUP CONCLUSIONS

- 6.1 The Working Group noted that all of the responding Parties were supportive of the proposed change solution and implementation date and that no Party expected to incur any significant costs in implementing the change.
- 6.2 The Working Group confirmed that it supported the view of the majority of respondents and considered that the CP better facilitates the following two DCUSA objectives:
 - 3.1.3 - the efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences.
 - 3.1.4 - The promotion of efficiency in the implementation and administration of this Agreement.
- 6.3 The Working Group noted that the comments received from all respondents indicated their satisfaction with the legal drafting and that no alternative proposals should be put forward.

7 PROPOSED AMENDMENT AND LEGAL DRAFTING

- 7.1 The proposed amendment to the DCUSA in support of DCP 021 has been approved by Wragge and Co. Legal advice indicated that the proposed amendment to Section 2A was not required and that the DCP 021 should be

limited to Section 2B amendments. The Legal Drafting is attached as Appendix B.

8 PANEL RECOMMENDATION

8.1 The content of this Change Report was approved by the Panel on 01 August 2008.

8.2 In accordance with Clause 12.4 of the DCUSA the Panel has determined that the CP should be issued to all DNO and IDNO Parties for a period of 15 Working Days.

8.3 The timetable for the progression of the Change Proposal is set out below:

Date	Activity	Purpose	Responsibility
04 August	Change Report Issued	Change Report issued to all Parties for 15 WD	Secretariat
26 August	Voting End Date	Last date for submission of votes	Parties
27 August	Change Declaration	Outcome of voting published to Parties and Authority	Secretariat
30 September	Authority Determination	Authority to accept / reject CP following recommendation from Parties	Ofgem
06 November	DCUSA Release	DCUSA updated to reflect CP drafting (if approved by Authority)	Secretariat

Appendices:

- A. DCP 021 Change Proposal
- B. DCP 021 Legal Drafting
- C. Meeting 001 Minutes
- D. Meeting 002 Minutes
- E. Consultation Responses
- F. DCP 021 - Voting Form