

DCUSA CHANGE REPORT	
CHANGE PROPOSAL	Clarification of provision of metering data
DATE OF ISSUE	18 September 2008
ISSUED TO	DCUSA Contract Managers Ofgem
PARTIES ENTITLED TO VOTE	All Parties
RETURN DEADLINE (Voting End Date)	02 October 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 018 – Clarification of provision of metering data. 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 Two variations, DCP 018 and DCP 018A have been put forward for voting. Parties are invited to consider the proposed amendments attached as Appendices A and B and submit votes using the form attached as Appendix D to dcusa@electralink.co.uk by 02 October 2008.

2 BACKGROUND

- 2.1 DCP 018 was raised by E.ON UK on 13 March 2008 and was considered by the DCUSA Panel at its meeting on 19 March 2008. The Panel determined that the CP was a non-urgent Part One change that should be progressed through the Definition Procedure. The DCUSA Panel established a Working Group to consider the Change Proposal.

3 SUMMARY OF DCP 018

- 3.1 Clause 29 of the DCUSA sets out the metering data that will be provided from Suppliers to Distributors free of charge. DCP 018, as put forward by E.ON UK, seeks to update the current drafting to clarify the data that is covered by this Clause but also to ‘draw a line in the sand’ and, in the submitted legal text, to introduce the ability for Suppliers to recover the administrative costs for the provision of metering data required by Distributors. The proposer considered that that the CP will better facilitate

Objective 2¹ of the DCUSA by clarifying the Agreement to better reflect the current situation of a competitive electricity Supply and Distribution market. The proposer considered that the original DCUSA drafting was based on a position before competition was introduced and the costs associated with complying with the clause may prove a barrier to new market entrants.

4 DCP 018 WORKING GROUP

4.1 The DCUSA Panel established a Working Group to consider the Change Proposal. The DCP 018 Working Group comprised the following members:

- Chris Allanson – CE Electric UK
- Mike Harding – The Electricity Network Company
- Glenn Sheern – E.ON UK
- Helen Lees – RWE Npower
- John Lawton – Electricity North West Limited
- Kevin Woollard – British Gas Trading
- Lorna Gibb – ScottishPower Energy Retail
- Peter Waymont – EDF Energy Networks
- Tony Savka – Electricity North West Limited

5 WORKING GROUP CONSIDERATIONS

- 5.1 The Working Group met 8 times to consider the CP and assess it against the DCUSA Objectives. The minutes of the Working Group meetings are available on the DCUSA website – www.dcusa.co.uk
- 5.2 In the drafting of DCP 018 E.ON UK noted that the Agreement should be clarified to better detail the data that must be provided to Distributors. E.ON UK suggested that the current drafting of the DCUSA could act as a barrier to new Suppliers because the requirements are currently ill defined. In the proposed legal drafting E.ON UK also sought to introduce a principle to allow Suppliers the right to reclaim reasonable administrative costs for the provision of additional or bespoke data for Distributor Parties but not for data already provided.
- 5.3 The Working Group considered that there are two elements to the CP:
- Updating the DCUSA to better define the obligation on Suppliers to provide data to Distributors; and

¹ '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'

- Updating the DCUSA to recognise the right for Supplier to charge for any additional data and the Distributor's obligation to pay for it.
- 5.4 The Working Group considered that whilst it was satisfied that the DCUSA drafting could be updated to better reflect the market position it did not consider it appropriate to introduce potentially contentious new commercial arrangements. The Working Group therefore refined the drafting to remove this element to better reflect the business justification given in the original change proposal.
- 5.5 The revised DCP 018 details the metering data that Suppliers are required to provide to Distributors without charge but does not specify the right for Suppliers to charge for the provision of additional data nor does it refer to separate bi-lateral agreements. The Working Group considered that this drafting will also cover the existing industry change processes covered by other codes which both Parties are signatories to. As such, under this revised DCP 018 any industry approved changes to the provision of such data would equally be provided free of charge since the industry would have approved and paid for the development of such a provision via a different code and governance arrangement.
- 5.6 As the proposer of the CP, E.ON UK requested that an alternative variation be put forward which does allow Suppliers the right to charge for the provision of additional data in the future, but mandates that types of metering data required by Distributors for the calculation of Use of System Charges or the operation of its Distribution System, identified in Clause 29.4, is provided free of charge. This drafting covers both data currently received and new data. This better reflects the legal text submitted as part of the original change proposal. This second version is attached as Appendix B and is referred to herein as DCP 018A.
- 5.7 With regard to DCP 018A, the Working Group considered both whether and how the requirement for Distributors to pay for such data should be captured in the Agreement. Some members felt that adding such a clause would set a precedent and result in similar clauses being added throughout DCUSA. It was felt that any request for additional data by a Distributor should be either be covered off by a further change to DCUSA for such data or should be dealt with external to DCUSA via a bi-lateral agreement.
- 5.8 A number of Working Group members considered that the second element of the proposal – the introduction of a commercial framework between Suppliers and Distributors - was a significant issue. Some members questioned whether the development of 'Supplier to Distributor Relationships' could be considered within the scope of the DCUSA and expressed concern that the CP would set a precedent for Suppliers to charge for other services provided to Distributors. Members considered that if such developments were taken forward it may be more appropriate for a new section of the DCUSA to be created specifically for such scenarios. It was generally agreed that this would require a separate Change Proposal and was outside the scope of the Working Group to consider.
- 5.9 In accordance with Clause 11.17 of the DCUSA the Working Group agreed that DCP 018 and DCP 018A should be put forward for consultation.

6 DCP 018 CONSULTATION

- 6.1 The DCP 018 Consultation was issued to all DCUSA Contract Managers for a period of 10 Working Days and 9 responses were received. The consultation responses are attached as Appendix C.

Does the proposed CP better facilitate the DCUSA Objectives?

- 6.2 The table below sets out the responses received from Parties in the consultation. The majority of respondents indicated that Objectives 2² and 4³ were better facilitated by both DCP 018 and DCP 018A.

DCP 018				
None	Objective 1	Objective 2	Objective 3	Objective 4
2	2	4	1	4
DCP 018A				
None	Objective 1	Objective 2	Objective 3	Objective 4
2	1	4	0	3

- 6.3 The Working Group supported the view put forward in the consultation that both DCP 018 and DCP 018A better facilitated Objectives 2 and 4. The Working Group agreed that Objective 4 was achieved by introducing greater visibility around the data items to be provided free of charge to Distributors. Some members considered that greater certainty around the provision of information could better facilitate competition thus also achieving Objective 2. The Working Group agreed that both CPs better facilitate the DCUSA objectives than the current Agreement because of the greater clarity provided.

Are there any other alternative solutions you would like to be considered by the DCP 018 Working Group?

- 6.4 7 responses positively confirmed that no alternative drafting was required. 2 respondents indicated that drafting changes could be made to enhance DCP 018 and 1 respondent provided an alternative drafting solution.
- 6.5 The Working Group considered the 3 proposals put forward in the consultation responses. The first proposed that the requirement to provide data in accordance with timescales set out in the BSC was insufficient as the BSC does not set out timescales for all scenarios (e.g. the provision of HH metering data from the DC to the LDSO). The group considered that additional wording should be added to both variations to reference timescales in the Relevant Charging Statements.
- 6.6 The Working Group noted that one respondent proposed the reinstatement of drafting in Clauses 29.2, 29.4 and 29.5. The Working Group concluded

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

that the drafting in Clause 29.2 was sufficiently covered by Clause 18.2.3, that the additional drafting agreed in section [6.5] above would address the concerns regarding Clause 29.4 and that legal advice already provided had indicated that Clause 29.1 covered Clause 29.5.

- 6.7 The Working Group noted that one respondent had provided an alternative drafting solution to DCP 018. The respondent considered that the drafting of DCP 018A, and in particular Clause 29.4.1 which seeks to introduce a mechanism for charging for the provision of data is in conflict with Section L of the BSC. The respondent also believed that whilst DCP 018 improved on the DCUSA drafting it still failed to pin down what was meant by 'data'. The Party is of the view that data, as described in 29.4.1 has a broader rather than narrow meaning.
- 6.8 The respondent proposed that DCP 018 be amended to specifically introduce the terms 'BSC Party Agent', 'Metering Data' and 'Meter Technical Details'. The definition for Metering Data builds on the definition in Section X-2 of the BSC (defined in respect of Section S of the BSC). The party believes that the proposed drafting is more consistent with the obligations of BSC. Additionally the drafting seeks to encompass data provision for sites registered in CMRS.
- 6.9 In respect of unmetered supplies, the respondent proposed revised drafting to address issues of data provision in respect of unmetered supplies traded in the half hourly as well as the non half-hourly market and removes the use of the term Customer Installation since an unmetered supply will comprise of many such installations with the estimated annual consumption being an aggregate (by profile class and by settlement register) of the electricity consumed by all installations covered by the unmetered supply.

Please indicate if you expect to incur any costs to support the CP

- 6.10 1 Party indicated that they would incur costs to implement the CP as drafted but did not provide any further detail. A number of Distributors noted that they may incur costs as a consequence of DCP 018A if Suppliers do introduces charges for the provision of data and 1 IDNO party noted that if Suppliers do charge for the provision of data it will have no mechanism for recovering the costs.
- 6.11 The Working Group concluded that the introduction of either variation would not directly result in costs for Parties but that DCP 018A could result in costs for Distributors if they requested additional data from Suppliers. The Working Group noted the view of one member that the costs are currently being borne by Suppliers and that it is more appropriate that there are passed through to Distributors. The Working Group noted the comment that IDNO parties would not have a mechanism for recovering costs charged by Suppliers and considered that a valid issue.

Do you support the proposed implementation date of 06 November 2008

- 6.12 Of the 9 responses received from Parties, 8 confirmed they could achieve the proposed implementation date. The Working Group concluded that the implementation date of 06 November 2008 was appropriate noting that only one respondent did not support the date but did not provide an alternative solution or a justification for the response.

Do you consider it appropriate that the DCUSA should introduce the principle of Suppliers charging Distributors?

- 6.13 Mixed responses were provided in the consultation with 6 respondents indicating that it was not appropriate to introduce the principle, 2 indicating that it was appropriate and 1 suggesting that it may be appropriate in specific cases where it was clearly demonstrated that the DCUSA objectives would be better facilitated as a result.
- 6.14 Those respondents opposing the introduction of the principle of Suppliers charging Distributors considered that the change would set a precedent in the agreement that could lead to consequential changes through out the document for the introduction of charges in other areas. Some respondents indicated that the principle could act as barrier to entry to IDNO Parties and that it would confuse the roles of the service provider and service taker in a contractual framework. Those supporting the proposal indicated that the development was a natural progression away from bi-lateral agreements and would create a level playing field as the ability for Distributors to charge Suppliers for the provision of information already exists.
- 6.15 The Working Group considered the points made but determined that it did not consider the proposal a barrier to entry as the costs charged by Suppliers should be known or could be found out. The group considered the potential charges a business cost rather than barrier to entry. Furthermore some members considered that the existing situation could be considered a barrier to entry to new Suppliers who cannot know what data will be requested in the future and have no mechanism to charge for it.
- 6.16 The Working Group noted that whilst the principle could be considered acceptable a number of members considered it unnecessary. The majority of members considered that any data that is not specifically listed in the Agreement as provided 'without charge' could therefore be charged for outside the Agreement. A number of members agreed that if the principle was to be included in the Agreement it may be preferable to develop a new section of the DCUSA (e.g. 2C) to deal with the concept overall. Members noted that this was out of the scope of DCP 018 but could be a natural progression of the change.

Do you consider it appropriate for the DCUSA to establish a principle for such charges but not introduce a charging mechanism?

- 6.17 The majority of respondents considered that it was not appropriate to introduce a charging principle without establishing a charging mechanism. The majority of those against the proposal indicated that this was because they did not support the principle of DCP 018A. 1 respondent noted that the mechanism must be specified in order to create processes for managing invoices, payment and disputes and others noted that the data should be provided on a bi-lateral basis and the funding also dealt with outside the Agreement. Those who considered it appropriate suggested that DCP 018A is seeking to add clarity for all Parties by setting out the data provided free of charge and to clarify that any additional data may be charged for. It was argued that the principle of charging for additional data must be established in the DCUSA but the charging mechanism could be agreed outside the DCUSA between the relevant Parties.

Do you agree that Clause 29.5 in DCP018A introduces a Part 1 provision?

- 6.18 Responses were broadly divided with some parties indicating Clause 29.5 should not be considered Part 1 as it dealt with matters outside the DCUSA and was not defining a new charging mechanism. The Working Group concluded that it was for the proposer to determine the progression of the Clause but noted that the Panel had accepted the CP as a Part 1 matter.

One of the key differences between the two variations is Clause 29.4 which defines what data will be provided free of charge. Each variation is attempting to clarify what the current practice is. Do you consider that both variations capture all of the data currently provided without charge?

- 6.19 The majority of respondents indicated that the information provided in DCP 018 provided greater clarity and a better level of that than of DCP 018A. 1 respondent recommended that a 'hybrid' of the 2 variations be put forward and another suggested that the drafting should be clarified to capture both MRA and BSC data. The Working Group proposed that a revision be made to the drafting of DCP 018 to reference the MRA rather than the DTC.

Please state any other comments or views on the Change Proposal

- 6.20 4 respondents provided additional comments on the CP. One noted that it did not believe that the DCUSA had been created with a view to introducing the charging of Distributors by Suppliers. The respondent further considered that DCP018A may set a precedent for charging in other areas and may act as a barrier to entry for new IDNO parties as the potential costs associated with bespoke data items would be unknown. This view was supported by another respondent who also indicated that future developments in the industry, such as smart metering, may provide greater information to Distributors to enable them to manage their network but may incur costs from Suppliers which could be prohibitive. Another respondent considered that DCP 018A did not provide a resilient framework for future operation and is limited in the data items that it covers. The final respondent confirmed its view that DCP 018 would be acceptable subject to changes highlighted question 2 above.
- 6.21 The Working Group noted each of the points made but considered that they had been raised and addressed through discussions on each of the other questions in the consultation.

7 WORKING GROUP CONCLUSIONS

- 7.1 The Working Group considered that the revised drafting put forward in the consultation responses by The Electricity Network Company presented a better drafting solution to DCP 018 as currently written and therefore agreed to take on that drafting as DCP 018.
- 7.2 The Working Group considered that both DCP 018 and DCP018A could be demonstrated to better facilitate DCUSA objectives 2 and 4 because of the greater level of information and clarity provided to Parties within them.
- 7.3 The Working Group considered that DCP 018 provided the best level of information without introducing a charging principle or mechanism which would set a precedent within the Agreement. The majority of members considered that it was not necessary to specify this detail in the DCUSA as Suppliers can effectively already charge Distributors for the provision of data outside the Agreement.

- 7.4 The Working Group considered that by introducing a charging principle via DCP 018A there was a risk that Suppliers could charge Distributors for the provision of data agreed a consequence of an industry agreed change under another code. Some members considered that the principle already existed elsewhere (such as between the BSC and the MRA) and that the DCUSA should clearly specify the rights for Suppliers to charge Distributors for the provision of bespoke data to eliminate uncertainty for new users.
- 7.5 The Working Group broadly agreed that although it has not originally been envisaged that the DCUSA would be developed for Supplier – Distributor charging that should not prevent its development if it could be demonstrated that the DCUSA objectives could be better facilitated. However, it was noted that this was outside the scope of the CP and it would be more appropriate to establish a new section of the DCUSA (e.g. Section 2C) to specifically cover such arrangements. Parties agreed that this would reduce the need for bi-lateral arrangements and introduce a standard governance framework where both the charging principle and mechanism could be defined and subject to full change control.
- 7.6 The Working Group agreed that both variations should be put forward to the Panel and issued to all Parties for voting. The Working Group agreed, by majority, that DCP 018 was its preferred variation. The Working Group noted that due to the consideration of additional drafting following the consultation period it was no longer achievable to implement the CP in the November 2008 Release. The Working Group and the Proposer of DCP 018A agreed that the implementation date for both variations be amended to the February 2009 Release.

8 PROPOSED AMENDMENTS AND LEGAL DRAFTING

- 8.1 The Working Group agreed that both DCP 018 and DCP 018A should be issued to Parties for voting. Both variations have been reviewed by Wragge and Co and the legal drafting for each is set out in Appendices A and B.
- 8.2 A summary of each variation is set out in the table below:

Proposal	Key Principles
DCP 018 – Appendix A	<ul style="list-style-type: none"> • Obligation for Suppliers to provide Distributors with metering data for specified purposes in accordance with Clause 29.3 without charge • This obligation covers both data currently received and any new data item developed as a result of an industry change • The proposed amendment does not impact existing, or seek to introduce new, Part 1 provisions • The term Metering Data is defined and should be consistent with obligations in Section L of the BSC • Data Provision in respect of unmetered supplies clarified
DCP 018A – Appendix B	<ul style="list-style-type: none"> • Obligation for Suppliers to provide Distributors

	<p>with metering data for specified purposes in accordance with Clause 29.4 without charge</p> <ul style="list-style-type: none"> • Right for Suppliers to charge Distributors for any additional data not contained within Clause 29.4 • Obligation for Suppliers to only charge 'reasonable costs' • Obligation for Distributors to pay the Supplier for the provision of that data • Introduces Clause 29.5 as a Part 1 provision
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9 PANEL RECOMMENDATION

9.1 The content of this Change Report was approved by the Panel on 17 September 2008.

9.2 In accordance with Clause 12.4 of the DCUSA the Panel has determined that the CP should be issued to all parties for a period of 10 Working Days.

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

Date	Activity	Purpose	Responsibility
18 September	Change Report Issued	Change Report issued to all parties for 15 WD	Secretariat
02 October	Voting End Date	Last date for submission of votes	Parties
03 October	Change Declaration	Outcome of voting published to parties and Authority	Secretariat
31 October	Authority Determination	Authority to accept / reject CP following recommendation from parties	Ofgem
February 2009	DCUSA Release	DCUSA updated to reflect CP drafting (if approved by Authority)	Secretariat

Appendices:

- A. DCP 018 Legal Drafting
- B. DCP 018A Legal Drafting
- C. Consultation Responses
- D. DCP 018 - Voting Form