DCUSA CONSULTATION DOCUMENT	
CHANGE PROPOSAL	Distribution Standard Licence Condition 4a review
DATE OF ISSUE	13 November 2007
ISSUED TO	DCUSA Contract Managers Ofgem
RETURN DEADLINE	27 November 2007 – DCUSA@electralink.co.uk

1 BACKGROUND

1.1 DCP 009 was raised by United Utilities Electricity Limited on 04 October 2007. The CP was considered by the DCUSA Panel at its meeting on 17 October 2007. The Panel determined that the CP was a non-urgent Part One change that should be progressed through the Definition Procedure.

1.2 The DCUSA Panel established working group DCP 009 to consider the Change Proposal. The working group met by teleconference on 06 November 2007 to consider DCP 009 and evaluate it against the applicable DCUSA Objectives.[1]

2 DCP 009 - DISTRIBUTION STANDARD LICENCE CONDITION 4A REVIEW

2.1 Work has commenced to modify the Supply Licence Condition 4A statement to align it more closely with the Distribution Licence. It is anticipated that the amendments will be implemented on 01 April 2008. A working group has been established under the Commercial Operation Group (COG) to develop the documentation and that a principle for the structure of the documents has been agreed.

2.2 In line with recommendations from the Ofgem chaired Implementation Steering Group (ISG) and COG working group, the DCUSA will need to be modified to facilitate the agreed amendments and DCP 009 has been raised to implement the changes. DCP 009 seeks to amend the following sections of the DCUSA: Definitions and Interpretations, Clause 19.2.2 and Schedule 1 – Cover.

3 WORKING GROUP CONSIDERATIONS

3.1 The working group considered DCP 009 against the DCUSA objectives and concluded that the proposed variation better facilitates Objective 3.1.3 - *the efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences* - than the current DCUSA.

3.2 The working group also considered the recommendation put forward by one member that the scope of the CP should be extended to consider and define the processes surrounding the invoices and payment for UoS and transactional charges. It was suggested that the group should use the opportunity to discuss whether the current cover provisions and related processes are appropriate.

3.3 The working group considered that the intent of the CP was to facilitate the introduction of the revisions to SLC 4A and that it did not seek to make any changes to existing processes. The group agreed that the introduction of DCP 009 should add clarity and transparency for parties as all types of charges will be captured in the charging statements. The working group concluded that it was not appropriate to extend the scope into other areas that were not essential to the development of the CP.

3.4 The working group was supportive of the principle of DCP 009 and the drafting provided in Appendix 1 (subject to legal review). No alternative variation was put forward by the group.

[1] The papers and minutes of all Working group meetings are available on the DCUSA Website – www.dcusa.co.uk

3.5 The working group agreed that Distributors, IDNOs and Suppliers should be eligible to vote on the CP. It agreed that the proposed implementation date of the February 2008 was achievable and in accordance with Clause 11.17 the working group agreed that DCP 009 should be put forward for consultation.

4 CONSULTATION

4.1 In accordance with the DCUSA, any CP progressed through the Definition Process may be issued to DCUSA Parties as part of a consultation exercise. The working group recommended that DCP 009 is put forward for consultation.

4.2 Parties are asked to review the proposed CP and provide feedback, paying particular attention to the following:

- Indicate whether you believe that the proposed variation better facilitates the DCUSA Objectives;
- Provide support for your comments and views by suitable reasons, evidence and explanations, where possible;
- Identify any other relevant, suitable alternative solutions for consideration by the Working group that would better facilitate the DCUSA Objectives;
- Note that comments will inform the working group and Panel's decision about which alternate(s) to put forward for voting.

4.3 Your response, or any part thereof, can be provided in confidence. Please clearly indicate which parts of your response are to be treated confidentially.

4.4 You are asked to provide as much relevant detail in your response as possible to enable the working group and the DCUSA Panel to understand your comments and the reasons behind them. A response form has been included in Appendix C for your convenience.

5 NEXT STEPS

5.1 Following the end of the consultation period the working group will consider all responses and present a final report to the DCUSA Panel. The DCUSA Panel will determine which variation(s) will be put forward to the vote.

6 TIMESCALES

6.1 The working group has determined that the consultation period should be 10 Working Days. Parties are invited to submit responses to DCUSA@electralink.co.uk no later than 27 November 2007.

6.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA Help Desk by email to DCUSA@electralink.co.uk or telephone 020 7462 8717.

7 APPENDICES

- Appendix A – DCP 009
- Appendix B – DCP 009 – DCUSA Drafting
- Appendix C – Consultation Response Form