
Meeting Name	DCUSA Panel
Meeting Date	20 December 2006
Paper Title	Initial Assessment Report – DCP001
Purpose of Paper	For Decision
Synopsis	This paper presents the CP that has been submitted to the DCUSA Secretariat this month and requests agreement on its progression.

1 INTRODUCTION

- 1.1 This paper refers one DCUSA Change Proposal (DCP) to the DCUSA Panel for agreement on its progression.
- 1.2 The CP has been assessed by the Secretariat in accordance with Section 10.11 of the DCUSA. The CP has met the requirements and ElectraLink has prepared a recommendation for consideration by the Panel.

2 SUMMARY OF CHANGE PROPOSAL FOR CONSIDERATION

- 2.1 DCP001 'Proposed move to annual amendment of DUoS Charges' is attached as Appendix A. The CP seeks to adopt the principle of restricting amendments to UoS charges to one annual amendment.
- 2.2 The following table shows a summary of the CP:

Raising Party	Gaz de France Marketing
CP Status	Standard (non urgent)
Change Synopsis	Currently Section 19 Charges outlines a process which allows Use of System (UoS) charges to be varied at any time by giving the requisite period of written notice (40 days). To date this year Suppliers have been subject to a number of variations to UoS charges. Under the gas transporter licence, amendments to UoS charges are carried out on best endeavours once a year basis, with charges to apply with a 1 st October start. This change proposes that this principle be adopted within the DCUSA for electricity.
Parties Impacted	Distributors, Suppliers, IDNOs and Generators
Part 1 / Part 2	Part 1 (Section 19.1)
Authority Consent	Required
Proposed Implementation	April 2007

- 2.3 DCP001 has been assessed as a standard (non urgent) change that impacts Part 1 matters. Due to the impact on all categories of parties and the potential impact of the change on areas outside the DCUSA it is recommended that the CP should be progressed through the Definition Procedure and that a Working Group should be established to consider the full implications of the CP.
- 2.4 Given the proposed implementation date of April 2007, the Secretariat recommends that the initial timetable is set at a maximum of 40 Working Days including the consultation period. This will allow the Working Group to submit its Change Report to the February Panel meeting.

3 RECOMMENDATIONS

- 3.1 The DCUSA Panel is invited to:
- Accept the referral of DCP001;
 - Agree that the CP should be progressed through the Definition Process;
 - Agree that the CP should be treated as a Part 1 matter;
 - Establish a Working Group to assess the CP; and
 - Agree that the initial assessment period of up to 40 Working Days.

Elizabeth Lawlor
Governance Services Manager

DCUSA Change Proposal Form

This form should be used by DCUSA Parties who wish raise a draft or formal Change Proposal and for DCUSA members and other interested parties to return their comments on DCUSA Change Proposals which have been circulated for consultation.

Originators - please complete Section A of this form and submit to DCUSA@electralink.co.uk.

Respondents – please complete Section B of this form and return it to DCUSA@electralink.co.uk your response should include your assessment of the solution and comments on the Change Proposal drafting. If you reject the solution then please supply your reason for rejection and an alternative solution. Even if you reject a solution your responses should state whether the proposed implementation date is acceptable to your organisation. If it is not acceptable, please indicate the reasons why and an alternative date.

SECTION A: To be completed by originator

Document Control	
CP Status:	Standard
Date Submitted	16 November 2006
CP Number*:	DCP/001
Version Number:	1.0
Ref*:	11/06
Attachments:	None

* Assigned by DCUSA Change Control Administrator

Originator details	
Party Name	Gaz de France Marketing
Originator Name	Barbara Vest
Constituency:	Supplier
Telephone number:	07736 107 020
Fax number:	0113 245 3646
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CP Details	
Title of Change:	Proposed move to annual amendment of DUoS Charges
DCUSA Parties believed to be impacted:	Distributor / Supplier / IDNO / Generator
Proposal to Change:	Part 1 matter / Part 2/ housekeeping / other (please specify which section or clause

<i>Any proposal to add, delete or amend a Part 1 matter will be subject to Authority Consent</i>	of the DCUSA is being amended) Part 1 matter , Section 19.1
Summary of Change:	Currently Section 19 Charges outlines a process which allows Use of System (UoS) charges to be varied at any time by giving the requisite period of written notice (40 days). To date this year Suppliers have been subject to a number of variations to UoS charges. Under the gas transporter licence, amendments to UoS charges are carried out on a best endeavours once a year basis, with charges to apply with a 1 st October start. This change proposes that this principle be adopted within the DCUSA for electricity.
Related CPs: <i>Please indicate if this CP is related to or impacts any other CP already in the DCUSA or other industry Change Process</i>	None

Proposed Solution:

(Please also attach any proposed legal drafting here)

The existing legal text in Section 19.1 states that :

The User shall pay to the Company in respect of services provided under the Agreement the charges set out in the Relevant Charging Statement. The Company may vary such charges at any time by giving the requisite period of written notice to the User (where the requisite period of notice is the period specified in the Company's Relevant Charging Statement or, where no such period is specified, 40 Days). Such charges and any variations are and will be calculated in accordance with the provisions of the Relevant Charging Statement.

We propose that Section 19.1 should be amended to read as follows:

The User shall pay to the company in respect of services provided under the Agreement the charges set out in the Relevant Charging Statement. The Company shall make best endeavours to vary such charges once a year, with charges to apply from 1st April.

Proposed Implementation Technique:

Following acceptance by the DCUSA Panel the DCUSA legal text to be amended as proposed above.

There will be consequent changes to the Company's Relevant Charging Statement however this is out of scope of this Modification Proposal

Proposed Implementation Date:

Month: April Year: 2007

Other (please give reasons):

Business Justification for change:

Section 19.2.1 outlines UoS charges as covering:

- Use of Distribution System
- Provision of MPAS
- Provision of basic Metering Services
- Data Transfer Services
- Last Resort Supply Payments
- Ancillary Services

All of the above are charges that can and should be forecast at least 12 months in advance. At present Companies are varying their charges throughout the year making administration and reconciliation for both Suppliers and their Customers an overburdensome process. A move to annual charging would negate the need for this additional work and clearly identify the value of the charge ahead of the charging period, thus improving the end of year audit and reconciliation process for all.

Our main cause for concern arose whilst in conversation with one of our customers who had sites across a number of Distribution Networks and was having difficulty in tracking the actual applicable charges within their own administrative systems. A move towards an annual charge would, we believe, assist greatly the end consumer.

How will the CP facilitate the DCUSA relevant objectives

[please state which one(s)] :

Of the four DCUSA Objectives and we believe that the proposal will improve the facilitation of the following:

1. ***The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated and economical DNs.*** The improvements of cost forecasting and accounting will deliver improved efficiency for both DNO and IDNO Parties, as they will have clearly identified their cashflow for UoS Charges ahead of the financial year thus removing any uncertainty around income flows.
2. ***The facilitation of effective competition in generation and supply of electricity and the promotion of competition in the sale, distribution and purchase of electricity.*** DNOs have during the 2006/07 Financial year made a number of amendments to their UoS Charges. On 1 April 06 all distribution companies changed tariffs. On 1 October 06 EdF amended their UoS charges for Eastern & London. On 1 November 06 Central Networks amended their charges for East Midlands & Midlands. On 1 December 06 United Utilities have announced tariff changes for Norweb. The application of an annual DUoS charge will improve our communication of charges with customers and remove any subsequent, un-forecast mid-year amendments to this element of a customer's energy bill, thus improving administrative and accounting processes.

Authority Consent Required: Part 1 or Part 2 matter

Yes [Part 1]