DCUSA CHANGE DECLARATION

DCP 166 and DCP 166A - Additional Text For The DNO Common Connection Charging Methodology To Provide Clarity Where A Customer Requests A Supply Voltage In Excess Of The 'Minimum Scheme' For The Capacity Requested.

VOTING END DATE: 07 March 2014

DCP 166 - Additional Text For The DNO Common Connection Charging Methodology To Provide Clarity Where A Customer Requests A Supply Voltage In Excess Of The 'Minimum Scheme' For The Capacity Requested.	**WEIGHTED VOTING**				
	DNO	**IDNO**	**SUPPLIER**	**DISTRIBUTED GENERATOR**	**GAS SUPPLIER**
CHANGE SOLUTION	Accept	n/a	n/a	n/a	n/a
IMPLEMENTATION DATE	Accept	n/a	n/a	n/a	n/a
RECOMMENDATION	**Change Solution – ACCEPT** In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was more than 50% in all Categories. **Implementation Date – ACCEPT** In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was more than 50% in all Categories.				
PART ONE / PART TWO	**Part One** – Authority Determination Required				

DCP 166A - Additional Text For The DNO Common Connection Charging Methodology To Provide Clarity Where A Customer Requests A Supply Voltage In Excess Of The 'Minimum Scheme' For The Capacity Requested.	**WEIGHTED VOTING**				
	DNO	**IDNO**	**SUPPLIER**	**DISTRIBUTED GENERATOR**	**GAS SUPPLIER**
CHANGE SOLUTION	Reject	n/a	n/a	n/a	n/a

IMPLEMENTATION DATE	Reject	n/a	n/a	n/a	n/a
RECOMMENDATION	**Change Solution – REJECT** In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to reject the change solution was more than 50% in all Categories. **Implementation Date – REJECT** In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to reject the implementation date was more than 50% in all Categories.				
PART ONE / PART TWO	**Part One** – Authority Determination Required				

PARTY	DCP 166 (A / R)	DCP 166A (A / R)	IMPLEMENTATION DATE (A/R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES					
Electricity North West Ltd	Accept	Reject	Accept	DCP 166 better facilitates General Objective 1 as it provides greater clarity to customers and sends appropriate cost signals to customers. This approach sets an appropriate balance so that where significant work is required to reinforce a network where there may be minimal likely benefit to other customers then the customer requiring the change pays for it. This maintains an appropriate balance between changes to the connecting customer and DUoS customers.	DCP 166A adds inappropriate obligations on the DNO and therefore is not supported. DNOs should not be required to have to identify alternate equipment that meets the needs of the customer. This becomes an unreasonable requirement and is likely to lead to many disputes.
Northern Powergrid - Northern Electric Distribution Ltd	Accept	Reject	Accept	We believe the following DCUSA objectives are better facilitated by DCP166: General objective 1 – the change proposal adds clarity to the methodology and helps to ensure an efficient and co-ordinated network is developed through the provision of the relevant economic signals. General objective 3 - the change proposal keeps the CCCM in line with current practices and clearly stating those charges to the Customer.	N/A
Northern Powergrid - Yorkshire Electricity Distribution plc	Accept	Reject	Accept		

				Charging objective 1 – the change proposal improves clarity within the methodology and acts to maintain an efficient and economical Distribution System.	
Scottish Power - Manweb	Accept	Reject	Accept	**General Objectives** Objective 1 and Objective 3 as the proposal, if implemented, would provide clarity within the methodology **Charging Objectives** Objective 1, in addition to improving clarity within the methodology it will assist in maintaining an efficient and economical development of the distribution system.	N/A
Scottish Power - Distribution	Accept	Reject	Accept		
SSE - Scottish Hydro-Electric Power Distribution plc	Accept	Reject	Accept	In our view, DCP166 (but **not** DCP166A) is better facilitated by General Objective 1 as it represents an appropriate economic balance between charges to customers seeking connections of a particular nature and reinforcement costs which ultimately may be partly borne by the general body of customers through use of system charges. We also believe that Charging Objective 1 would be better	We have voted to reject DCP166A for a number of reasons and we provide the following comments on this. We believe that implementation of DCP166A would undoubtedly result in unjustifiable levels of reinforcement costs being carried by use of system customers. In most cases in the circumstances that the alternate DCP contemplates, CAF calculations would only require connecting customers to pay very small proportions of reinforcement costs, particularly where demand applications are concerned. The largest proportion of costs is very likely to feed through to use of system charges borne by all
SSE - Southern Electric Power Distribution plc	Accept	Reject	Accept		

				facilitated as the additional DCUSA text would improve the level of explanation of how connection charges are applied. This would assist with distributor compliance with SLC 13.1.	customers, irrespective of any benefit to them or their economic standing. The reinforcement costs which would be apportioned if DCP166A was approved could be very high in rural and/or island situations. We note that where generation connections are concerned, the use of system customer base has a degree of protection from the 'high cost' threshold. However, there is no equivalent for demand-driven reinforcements and there would be no 'cap' on the level of costs which may have to be apportioned. This would result in grossly inadequate economic signals being in operation. We do not believe that such a significant shift in the balance of economics between connecting parties and the general body of customers is an appropriate change. DCP166A also seeks to introduce judgement criteria into the Methodology which distributors are unlikely to be able to adequately apply or 'police' to protect the interests of use of system customers. The proposed legal text uses terms such as 'not possible' and 'suitable' in relation to **customer** electrical equipment (not **network** equipment). It is unreasonable in our view to expect distributors to have detailed knowledge of all of the equipment potentially available to customers to perform any particular task and, of this unlimited array of devices, which ones may or may not be reasonably considered suitable in each instance. The text therefore opens up scope for new areas of dispute, based on subjective

					criteria. The alternate DCP166 seeks to introduce a relationship between the 'availability' and 'suitability' of electrical equipment to a single customer and the network charging arrangements which ultimately affect every customer through apportionment. We believe this is a major departure from established charging policy principles which must be extremely carefully considered. We also believe that it is a significant departure from established policy principles to apply a demand/export kW threshold above which a specific technical solution is mandatory. This is, in our view, an inappropriate distortion of electrical design (and associated network costs) to achieve a commercial solution which is favourable to the connecting party. The charging Methodology has generally managed to avoid influencing electrical design policies, and we see this as a valuable principle to maintain. The alternate DCP also opens up opportunities for 'gaming', as it may encourage customers to apply for connections of greater capacity than they actually require, so that they reach the 50kW threshold for cost apportionment. As this approach may drastically reduce connection charges, there is little doubt that such instances will arise. There is very little which a distributor can realistically do to police such situations and there

					are no realistic retrospective sanctions which can be applied should reinforcement costs be later shown to have been apportioned on a 'gamed' basis. This would simply be an improper subsidy to the connecting customer and would clearly be to the disadvantage and expense of the general body of customers.
UKPN - Eastern Power Networks	Accept	Reject	Accept	In respect of DCP166: General Objective one is better facilitated by this change as it adds clarity to the methodology and helps to ensure an efficient and co-ordinated network is developed through the provision of the relevant economic signals. General Objective three is better facilitated by this change as licence condition 13 requires each DNO to have a connection charging methodology in force. This Change Proposal facilitates the fulfilment of this obligation in keeping the CCCM in line with current practices and clearly stating those charges to the customer. Charging Objective one is better facilitated by DCP 166 as it	The legal text provided within DCP166 is generic and intended for application across a range of connection scenarios and network voltages. The additional legal text provided within DCP166A has been prompted by consideration of just one connection scenario, this being where a single or split phase high voltage overhead line is to be upgraded to three phase in order to provide a three phase connection. The DCP166A additional text is incompatible with the generic nature of the original text proposed within DCP166. In other connection scenarios it would result in significant costs being passed to 'use of system' customers that are more properly met by the connection customer. Also, we believe that part of the additional text provided in DCP166A would be impossible to apply in practice and would likely lead to disagreements in respect of detailed interpretation. This concerns: *"…if it is not possible to obtain a suitable generator or consumption device to perform the required end use function that operates from a single phase supply"*
UKPN - London Power Networks	Accept	Reject	Accept		
UKPN - South Eastern Power Networks	Accept	Reject	Accept		

				improves clarity within the methodology and acts to maintain an efficient and economical Distribution System.	This would require the electricity distributor to make detailed enquiries with potentially a large number of electrical appliance manufacturers in order to decide on what is and what is not possible to be provided, before a connection quotation could be calculated and issued. This may act to compromise the electricity distributors obligations for issue of quotations with respect to the time scales within Standard Licence Condition 12 and the Electricity (Connection Standards of Performance) Regulations 2010.
Western Power Distribution - East Midlands plc	Accept	Reject	Reject	We believe the CP better facilitates DCUSA General Objective 1; 'The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System'. The CP ensures that DNOs do not 'over engineer' networks unnecessarily. We believe the CP also better facilitates DCUSA General Objective 3; 'The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.' Licence Condition 13 requires each DNO to have in force a connection charging	N/A
Western Power Distribution - South Wales plc	Accept	Reject	Reject		
Western Power Distribution - South West plc	Accept	Reject	Reject		
Western Power Distribution - West Midlands plc	Accept	Reject	Reject		

				methodology and this CP allows the DNO to discharge this obligation efficiently by ensuring the methodology is, as far as reasonably possible, balanced and clear. We believe the CP better facilitates Objective 1 of the DCUSA Charging Objectives; 'that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence'. We believe the CP improves clarity within the CCCM and enables the DNO to meet its obligation to maintain an efficient and economical Distribution System.	
IDNO PARTIES					
N/A	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
SUPPLIER PARTIES					
N/A	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
DISTRIBUTED GENERATOR PARTIES					
N/A	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
GAS SUPPLIER PARTIES					

N/A	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**