DCUSA

DCUSA Change Report	At what stage is this document in the process?
# DCP 356 ## Housekeeping change following the approval of DCP 332 and DCP 268 **Date Raised:** 24 October 2019 **Proposer:** Peter Waymont **Party Name:** UK Power Networks **Party Category:** DNO	01 – Change Proposal 02 – Consultation **03 – Change Report** 04 – Change Declaration

Purpose of Change Proposal:

This CP seeks to urgently address a housekeeping issue identified within Schedules 16, 17 and18 as a result of the legal text introduced by DCP 332 that will be implemented in April 2020, which will, when carried forward to April 2021 create a misalignment between the tariff names introduced by DCP 268.

This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 356 – 'Housekeeping change following the approval of DCP 332 and DCP 268'.

DCP 356 is considered a Part 2 matter and Parties are invited to consider the proposed amendment (Attachment 1) and submit their votes using the Voting form (Attachment 2) to dcusa@electralink.co.uk by **12 November 2019.**

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.

If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to dcusa@electralink.co.uk or telephone 020 7432 3011.

Parties Impacted: DNOs, IDNOs and Suppliers

Impacted Clauses: Schedule 16, paragraph 101 and Schedules 17 and 18, paragraph 25.3.

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Contents

1 Executive Summary 3
2 Governance 4
3 Why Change? 4
4 Solution 5
5 Relevant Objectives 5
6 Impacts & Other Considerations 6
7 Implementation 6
8 Legal Text 6
9 Code Specific Matters 7
10 Recommendations 7
11 Attachments 7

Timetable

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Activity	Date
Initial Assessment Report Approved by Panel	24 October 2019
Change Report Approved by Panel	04 November 2019
Change Report issued for Voting	05 November 2019
Party Voting Closes	12 November 2019
Change Declaration Issued to Parties	13 November 2019
Implementation	01 April 2021

Any questions?

Contact:
Code Administrator

DCUSA@electralink.co.uk

020 7432 3011

Proposer:
Peter Waymont

peter.waymont@ukpowernetworks.co.uk

07875 112757

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1 Executive Summary

What?

1.1 The Secretariat identified an issue within Schedules 16, 17 and18 as a result of the legal text introduced by DCP 332[1] that will be implemented in April 2020, which will, when carried forward to April 2021 create a misalignment between the tariff names introduced by DCP 268[2]. DCP 332, which was approved on 01 October 2019, amends paragraph 101 of Schedule 16 and paragraph 25.3 in both Schedules 17 and 18 to include a list of tariff names that are applicable for the 2020/21 charging year. Whilst the tariff names used in DCP 332 are correct as of its implementation date, they will not be correct when applied to the 2021/22 charging year as a result of the revised tariff names introduced by DCP 268.

Why?

1.2 When DCP 332 was initially raised and developed, the Authority had not yet made a decision on DCP 268 and as a result the references to specific tariffs names in paragraph 101 of Schedule 16 and paragraph 25.3 in both Schedules 17 and 18 does not align to those that will exist following the implementation of DCP 268. This is because the Working Group who developed DCP 332, could not have accounted for the tariff names resulting from DCP 268, in part due to it being implemented a year prior to DCP 268 but also because at the time of drafting their legal text, a decision on DCP 268 had not been received. This means that a mix of tariff names will concurrently exist, unless this CP is raised to correct the issue. It should be noted that the current Charging Methodologies pre-release for Distribution Use of System (DUoS) charges effective from 01 April 2021 has already been produced and as such if this is left unresolved, the DNOs would not be able to strictly follow the methodologies as written and the appointed DCUSA modelling consultants would be unable to produce models that align to the text provided.

How?

1.3 This change will align the legal text references to specific tariffs names in paragraph 101 of Schedule 16 and paragraph 25.3 in both Schedules 17 and 18 which are introduced by DCP 332 to the revised tariff names introduced by DCP 268 for the 2021/22 charging year. If approved, an updated version of the Charging Methodologies pre-release for DUoS charges effective from 01 April 2021 will need to be issued.

[1] Appropriate treatment and allocation of Last Resort Supply Payment claim costs

[2] DUoS Charging Using HH settlement data

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2 Governance

Justification for Part 2 Matter

2.1 Whilst CPs that impact upon charges would normally be considered a Part 1 Matter, the Proposer believes that this CP be considered as a Part 2 Matter as it only seeks to resolve what is essentially a housekeeping issue to ensure the correct tariff names are used within the Charging Methodologies for DUoS charges effective from 01 April 2021.

Justification for CP being considered Urgent

2.2 It should be noted that the rationale behind the request for this CP to be treated as an urgent change, relates to the timeline associated with setting DUoS charges, which includes the delivery Charging Methodologies pre-release text which has already been produced and the creation of models based on that text, which is currently underway.

Requested Next Steps

2.3 The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 356.

2.4 The DCUSA Panel recommends that this CP be issued to Parties for voting.

3 Why Change?

Background of DCP 356

3.1 DCP 268 was initially introduced into the DCUSA process a number of years ago before finally being approved in April 2019. DCP 332 was raised and quite well developed by the time Authority approval was received for DCP 268, however, it was important that the Change Report for DCP 332 be presented at the July DCUSA Panel meeting such that it could be approved to be issued for voting. This timeline is based on providing Ofgem with enough time in which to make its decision by 01 October, which is the cut-off date for CPs to have been approved by, that will impact charges in 18-months' time.

3.2 As explained in section 1 above, this resulted in the references to specific tariffs names in paragraph 101 of Schedule 16 and paragraph 25.3 in both Schedules 17 and 18 not being accounted for by DCP 332 and as such, do not reflect the revised tariff names introduced by DCP 268. It should be noted that the current Charging Methodologies pre-release for DUoS charges effective from 01 April 2021 has already been produced and as such if this is left unresolved, the DNOs would not be able to strictly follow the methodologies as written and the appointed DCUSA modelling consultants would be unable to produce models that align to the text provided.

3.3 This change is purely a housekeeping change to ensure consistency within the legal text of the relevant Charging Methodologies and so that it aligns with the models that will be created for the 2021/22 charging year.

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4 Solution

DCP 356 Assessment

4.1 DCP 356 will align the legal text references to specific tariffs names in paragraph 101 of Schedule 16 and paragraph 25.3 in both Schedules 17 and 18 which are introduced by DCP 332 to the revised tariff names introduced by DCP 268 for the 2021/22 charging year. If approved, an updated version of the Charging Methodologies pre-release for DUoS charges effective from 01 April 2021 will need to be issued.

5 Relevant Objectives

Assessment against the DCUSA Objectives

5.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better meets the DCUSA Objectives.

DCUSA Charging Objectives	Identified impact
1. 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	None
2. that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an interconnector (as defined in the Distribution Licences)	None
3. that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business	None
4. that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business	None
5. that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None
6. that compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	Positive

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5.2 Correcting the effect that DCP 332 has with respect to introducing a mix of tariff names that will concurrently exist alongside those that result from the implementation of DCP 268 ensures that DNOs can remain compliant with legal text in the charging methodologies and the associated models will be functional. This will ensure compliance with the Charging Methodologies and therefore bring efficiencies as well, which better facilitates DCUSA Charging Objective 6.

6 Impacts & Other Considerations

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

6.1 It is not believed that DCP 356 will impact on any SCR currently in progress and that this CP needs to be raised in order to ensure that any SCR currently in progress can correctly interpret the legal text.

Consumer Impacts

6.2 This change does not impact consumers.

Environmental Impacts

6.3 In accordance with DCUSA Clause 11.14.6, the Proposer assessed whether there would be a material impact on greenhouse gas emissions if DCP 356 were implemented. The Proposer did not identify any material impact on greenhouse gas emissions from the implementation of this Change Proposal.

7 Implementation

7.1 DCP 356 will need to be implemented as of 01 April 2021 which aligns to the implementation date of DCP 268 which revises tariff names for the 2021/22 charging year. If approved, DCP 356 will necessitate a need for the Secretariat to update current version of the Charging Methodologies pre-release for DUoS charges effective from 01 April 2021 and to then re-issue it to Parties as soon as possible. This will be important for price setting.

8 Legal Text

8.1 The legal text for DCP 356 has been recommended by the Proposer and reviewed by the DCUSA legal advisor and is provided as Attachment 1.

8.2 The legal text aligns the references to specific tariffs names in paragraph 101 of Schedule 16 and paragraph 25.3 in both Schedules 17 and 18 which are introduced by DCP 332 to the revised tariff names introduced by DCP 268 for the 2021/22 charging year. If approved, an updated version of the Charging Methodologies pre-release for DUoS charges effective from 01 April 2021 will need to be issued.

8.3 The Proposer is satisfied that the legal text meets the intent of the change.

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9 Code Specific Matters

Modelling Specification Documents

9.1 Not applicable.

Reference Documents

9.2 The current version of the 2021/22 DCUSA Charging Methodologies Pre-Release document[3] has recently been published on the DCUSA website, in which the issue can be observed.

9.3 This issue was raised by the Secretariat during the October Panel meeting[4], where it was agreed that an Urgent CP should be raised to correct the issue identified.

10 Recommendations

Panel's Recommendation

10.1 The Panel approved this Change Report on 04 November 2019. The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 356.

10.2 The Panel have recommended this report be issued for voting and DCUSA Parties should consider whether they wish to submit views regarding this CP. The Voting Form can be found in Attachment 2.

11 Attachments

- Attachment 1 – DCP 356 Legal Text
- Attachment 2 – DCP 356 Voting Form
- Attachment 3 – DCP 356 Change Proposal

[3] https://www.dcusa.co.uk/wp-content/uploads/2019/10/2021_22-DCUSA-Charging-Methodologies-Pre-Release_Issued-October-2019.pdf

[4] DCUSA Panel Meeting 160 Open Session Draft Minutes

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