

## DCUSA DCP 411 Change Declaration

Voting end date: 5pm, 12 June 2023

DCP 405	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER
CHANGE SOLUTION	Accept	Reject	Reject	n/a	n/a
IMPLEMENTATION DATE	Accept	Reject	Reject	n/a	n/a
RECOMMENDATION	<p><b>Change Solution – Reject</b></p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposal was less than 50%.</p> <p><b>Implementation Date – Reject</b></p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was less than 50%.</p>				
PART ONE / PART TWO	<b>Part One</b> – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				
NORTHERN POWERGRID (NORTHEAST) PLC	Reject	Reject	We have not carried out an assessment of the facilitation of the DCUSA Objectives as we do not agree with the “Why” of the Change Proposal.	We do not support the implementation date for this change as we do not support the proposed solution. The proposal stated that that “De-energised sites, with site-specific billing, are able to retain capacity on the network without being charged for it under the current methodologies”, however we do not believe this to be true, as detailed in our response to the first consultation. Therefore, we are rejecting the proposed solution.
NORTHERN POWERGRID (YORKSHIRE) PLC	Reject	Reject		
National Grid Electricity Distribution East Midlands	Accept	Accept	1 & 3	
National Grid Electricity Distribution West Midlands	Accept	Accept		
National Grid Electricity Distribution South West	Accept	Accept		
National Grid Electricity Distribution South Wales	Accept	Accept		
Eastern Power Networks	Accept	Accept	We support the views of the working group that General Objective 1 is better facilitated as this change will ensure that capacity is freed up on the Networks where it is no longer needed by Customers and ensuring charges are applied to all site-specific billed Customers who choose to continue reserving capacity on the Networks.	
London Power Networks	Accept	Accept		
South Eastern Power Networks	Accept	Accept		

			<p>We also believe that General Objective 3 and Charging Objective 1 are better facilitated as the different treatment, between energised customers who pay DUoS and de-energised customers who don't pay DUoS but choose to continue to reserve capacity, is removed because of this change.</p> <p>We support the views of the working group that Charging Objective 3 is better facilitated as this change should help to ensure that capacity charges are incurred by all site-specific billed customers who wish to reserve capacity.</p> <p>We note the view from one working group member that General Objective 2 and Charging Objective 2 are negatively impacted due to the impact of this change on competition. We see their concerns as a timing/logistical issue that would not have been present had all de-energised customers been required to pay DUoS charges without the need for any initial dialogue, however this was ruled out during the working group discussions.</p>	
Electricity North West Limited	Accept	Reject	<p>We believe Charging Objective 1 is better facilitated as this change will allow for capacity to be freed up and utilised where required, rather than being held indefinitely, this is a particular benefit on areas of the network under pressure due to rises in demand through smart technology. We also believe that Charging Objective 3 is better facilitated as customers holding/using capacity will be treated equally.</p>	As stated in our consultation response, we believe that the proposed 3 months implementation following Authority decision should be extended to a 6-month period, this is to allow for system/process changes to accommodate this change.
SP Energy Networks (SP Manweb)	Accept	Accept	1&3 for both General and Charging Objectives, for the same reasons outlined in the Change Report.	
SP Energy Networks (SP)	Accept	Accept		

Distribution)				
IDNO PARTIES				
ESP Electricity	Reject	Accept	<p>We believe that the proposal would have a positive impact on General Objective 1 in supporting network operators to run an efficient system.</p> <p>We think the proposal has a negative impact on Charging Objective 3 based on our comments below.</p> <p>While we support the proposal's intent to lead to outcomes that include the release of unused capacity or payment of DUoS for retaining capacity, we believe the proposed solution should not be implemented for the following reasons.</p> <ol style="list-style-type: none"> <li>1. The change proposal does not mandate network operators to reach out to de-energised customers and instead is optional for each network operator and individual Customer. This will lead to inconsistent outcomes for Customers with different approaches being adopted by each network operator.</li> <li>2. The code currently makes provisions for disconnecting a site if the connection point is de-energised for a period of 6 months. Given that the intent of the proposal is to make customers relinquish capacity or accept charges for retaining it, a more prudent approach would be for customers to receive notice at the time and point of the de-energisation (from Suppliers who are the first point of contact for customers) that they will still be charged capacity charges at that point (or after a short period after de-energisation, e.g. 3 months) and that if this is not paid, their connection is liable to be</li> </ol>	

			disconnected.	
The Electricity Network Company Limited	Reject	Reject	<p>We do not believe that the Charging Objectives are better facilitated by this change as the proposed solution fails to prove the new process to be cost reflective by requiring the de-energise sites to bear a fixed and capacity charges should they choose to keep the capacity reserved, without providing any extended calculations of what these fees should be. Although we appreciate those customers would have the capacity reserved instead of freeing it to be used by the other connectees, since being de-energised, they would not contribute financially towards the general network maintenance costs in a same manner as an energised site – for instance they would not have any impact towards the peak times; the emergency support lines; vulnerable customers support or PSR etc. Thus, the maintenance costs should not be equally split between all customers connected to the network and the various differences and impacts disregard between energised and de-energised sites. We believe this would only lead to unfair treatment towards the customers.</p> <p>Furthermore, we do not believe this proposed change to increase efficiency or to improve competition, but on the contrary, it may complicate the process and potentially be discriminative towards some customers since this process would be left at distributors' discretion whether to contact the de-energised customers or not and thus, without a clear procedure in place, some customers may be contacted and requested to bear the costs by one distributor, while another distributor may not see the value or lacking the necessary resources in chasing their de-energised connectees and as a result, two de-energised</p>	<p>We do not support this proposed change because given the current point we are at in time where the industry is moving to a more dynamic approach with the likes of the DUoS Reform and Access SCR, to flexibility and various other opportunities, where capacity allocation will not be a priority, we do not believe that focusing our attention on charging DUoS tariffs to de-energised sites would be neither cost reflective since there would be such a small subcategory of customers affected by this change, customers that do not put the same pressure on the distribution networks as any other energised customer by being de-energised and not impacting the peak consumption periods or the customer support systems available; nor would better facilitate our customers in any area.</p>

			customers with same measurement classes may experience different treatment, depending on the distributor they would be connected to.	
<b>SUPPLIER PARTIES</b>				
British Gas	Accept	Reject	<p>We agree that General Objective 1 is better facilitated as the License requires Distributors to work towards efficient and economic operations, by ensuring that capacity is freed up on the Networks where it is no longer needed by Customers and ensuring charges are applied to all site-specific billed Customers who choose to continue reserving capacity on the Networks.</p> <p>We also agree that General Objective 3 is better facilitated as the different treatment, between energised customers who pay DUoS and de-energised customers who don't pay DUoS but choose to continue to reserve capacity, is removed.</p>	We would prefer a minimum of 6 months lead time for implementation to allow for billing system changes to be made to allow de-energised sites to be billed.
EDF	Accept	Accept	DCUSA Charging Objectives 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 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.	
SSE Energy Supply	Reject	Reject	<p>Although it is indicated within the Change Report that the objectives are better facilitated for DNOs, we believe that this has a detrimental impact on Suppliers and their ability to manage customers.</p> <p>General Objective 2 – As noted on the change report, we believe this will have a negative impact</p>	We do not believe this change will have the desired outcome. We agree that changes need to be made to release capacity, where required and that there are several de-energised sites which are holding the capacity where the network requires it, but we do not believe this is the most appropriate solution. As indicated within previous consultation

			<p>on competition within generation. We also believe that should this change be agreed, suppliers will also need to set tariffs which will cover the costs for these charges where they cannot reclaim these, but the charges are passed on by the DNO.</p> <p>General Objective 3 – We do not believe that where the DNO can choose to contact the customer, that this is better facilitated as suppliers will not be treating customers fairly. Charging Objective 3 – Again, we do not believe that this change will treat customers fairly as the DNO can choose who to contact for capacity release and those customers who already pay DUoS could potentially see increased costs.</p>	<p>responses –</p> <ul style="list-style-type: none"> <li>• The proposed De-energisation and Disconnection process should apply to all Nondomestic profile classes.</li> <li>• An amendment to our T&amp;C's would be required to ensure we are transparent with our customers however, we would need to ensure that we fully understand the different circumstances that could arise</li> <li>• All our billing activity ceases when an account is de-energised, and the customers contract also ceases at that point.</li> <li>• Suppliers will need to create a new set of tariffs and will need to change systems to manage a small subset of customers who wish to retain their capacity which could become unmanageable.</li> <li>• Suppliers' debt will increase with charges being passed on by the DNO where there is no customer to bill, these costs will need to be recovered and ultimately, those customers who already pay DUoS will likely see an increase in their charges to cover this shortfall</li> <li>• Although discounted for this change, we still believe a data cleansing exercise is required to identify the true number of sites which are sitting with held capacity and although also noted there are a significant number of customers who sit within MC A (although capacity is not held) that this could help industry realise the full benefits of a process change for de-energised sites.</li> <li>• We do not believe the full end to end process has been established.</li> <li>• Suppliers could see an increase in customer complaints as their relationship is with the supplier, not the DNO.</li> <li>• Seasonal supplies have still not been considered.</li> <li>• The supplier must have the ability to reject to contact with the customer where the customer has been de-energised for cases in relation to</li> </ul>
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				<p>theft/non-payment etc.</p> <ul style="list-style-type: none"> <li>• A disputes resolution process is required</li> </ul>
Brook Green Supply	Reject	Reject		
E.ON Next Limited	Reject	Reject	<p>We do not believe the DCUSA charging objectives are better facilitated, it is our opinion that both charging objectives 1 &amp; 3 are natural on the basis that charging de-energised sites as proposed adds additional complexity and burdens on both suppliers and DNOs to enable cost recovery however it does not change the overall costs a DNO party recovers.</p>	<p>Whilst we recognise that the legal text requires DNO's to confirm that a customer must confirm they have supply contract with the DNO, our concern remains that once this is set the supplier could would likely have great difficulty in agreeing a supply contract to find that this is not the case, and where de-energised charge the capacity &amp; fixed DUoS rates.</p> <p>There are likely to adverse impacts on suppliers as one of the reasons for de-energising is often due to inability to agree to resolution of account debt. De-energising for non-payment is often a last resorting action that a supplier will undertake Debt positions worsen which may lead to more supplier failures, increased pressures on bad debt, cash recovery &amp; cost for DUoS credit provisions.</p> <p>This arises generally where there is no deemed contract which occurs when a change of owner/occupier occurs after a site is de-energised or if metering a new connection is to be arranged on a deemed contract. This is because our interpretation of the electricity act is that a supplier is deemed to have contracted with an owner/occupier when they began to supply electricity, for which we believe cannot be the case for any de-energised Mpans that have not taken a supply of electricity unless an agreed contract is in place.</p> <p>In addition to the above we would need to develop new de-energised products with accompanying T&amp;Cs changes for all contracts, and undertake</p>
Npower Commercial Gas Limited	Reject	Reject		



				<p>system development to enable the capability to bill electricity consumers who agree to retain a MIC de-energised rate, which would mostly be informed by the network bills we receive. this would also lead to further challenges with suppliers bad debt position because the effect of charging DUoS on de-energised sites would also see further debt being accrued on customer accounts where de-energisation of the site has been actioned due to non-payment, currently this action largely prevents more debt accruing until debt resolution has been agreed however if this CP is approved it would make this action less effective.</p>
ENGIE Power Limited	Reject	Reject	We do not believe the DCUSA objectives are better facilitated by this change.	