









DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 410:</h1> <h2>Fairer re-assessment of the allocation of Final Demand Sites prior to subsequent price control periods</h2> <p>Date Raised: 17th June 2022</p> <p>Proposer Name: Richard Ellis</p> <p>Company Name: Western Power Distribution</p> <p>Party Category: DNO</p>		<div>01 – Change Proposal</div> <div>02 – Consultation</div> <div>03 – Change Report</div> <div>04 – Change Declaration</div>
<p>Purpose of Change Proposal:</p> <p>This change is to ensure that DNO/IDNO Party's are able to utilise a fair and consistent approach to the re-assessment of the allocation of each Final Demand Site prior to the start of each onshore electricity transmission owner price control period to take account of any Final Demand Site that has been reallocated to a different charging following a successful application under Paragraph 6 '<i>Exceptional Circumstances Resulting In Re-Allocation To A Different Band Within A Price Control Period</i>' of Schedule 32.</p>		
	<p>Governance:</p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> • Treated as a Part 1 Matter • Treated as a Standard Change • Progressed to the Working Group phase <p>The Panel will consider the proposer's recommendation and determine the appropriate route.</p>	
	<p>Impacted Parties:</p> <p>Suppliers/DNOs/IDNOs/CVA Registrants</p>	
	<p>Impacted Clauses:</p> <p>Schedule 32 - Paragraph 4.1 and 4.2</p>	

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Indicative Timeline		
The Secretariat recommends the following timetable:		
Initial Assessment Report	20 July 2022	
Consultation Issued to Industry Participants	August 2022	
Change Report Approved by Panel	19 October 2022	
Change Report issued for Voting	21 October 2022	
Party Voting Closes	11 November 2022	
Change Declaration Issued to Parties	15 November 2022	
Change Declaration Issued to Authority	15 November 2022	
Authority Decision	December 2022	
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1 Summary

What?

- 1.1 The description of how Final Demand Sites are allocated to residual Charging Bands (Schedule 32 Paragraphs 4.1 and 4.2) needs to be extended to take account of Final Demand sites that have made a significant change to their Maximum Import Capacity (MIC) or usage to qualify to have their band reallocated in accordance with Paragraphs 6.1 and 6.2.

Why?

- 1.2 Without this change a Final Demand site that has been reallocated following a change of use, typically to a lower band, could potentially be re-banded to a higher band, or potentially even their original band, which we do not believe is the intention of the original change as well as it being inequitable to the end customer.

How?

- 1.3 We propose adding additional wording to Schedule 32 Paragraphs 4.1 and 4.2 to allow DNO/IDNOs to take this into account when allocating customers to charging bands.

2 Governance

Justification for Part 1 and Part 2 Matter

- 2.1 This Change Proposal is considered to be a Part 1 Matter due to it seeking to:
- extend the description of how Final Demand Sites are allocated to residual Charging Bands (Schedule 32 Paragraphs 4.1 and 4.2)
- and thus it has the potential to have a significant impact on the interests of electricity consumers.

Requested Next Steps

- 2.2 This Change Proposal should:
- Be treated as a Part 1 Matter;
 - Be treated as a Standard Change; and
 - Proceed to the Working Group phase.

3 Why Change?

- 3.1 This change needs to be made to correct a defect in the current text that could result in a customer that has changed their capacity or consumption by greater than 50% resulting in a change to their TCR Band being re-banded in the next round of calculation if this change was made during the re-banding period.

4 Solution and Legal Text

Legal Text

4.1 Revision to Schedule 32, Paragraph 4.1

4.1 For Final Demand Sites within the groups identified in Paragraph 1.5(a), 1.5(b) or 1.5(c), each DNO/IDNO Party shall allocate its Final Demand Sites to the relevant charging band based on the following criteria:

- (a) if 24 months of data is available, the average Maximum Import Capacity over that period; or if not available
- (b) allocation to a charging band will be based on the following criteria:
 - (i) the average of Maximum Import Capacity over that period for which data is available; or
 - (ii) if no such data is available, other available information that is appropriate for a typical profile of a similar site to best estimate the expected demand of the Final Demand Site; or

(c) if a Final Demand site has been reallocated to a different charging band in accordance with Paragraphs 6.1 and 6.2, the average of Maximum Import Capacity over a period subsequent to any changes made in relation to the reallocation to a different charging band using Paragraphs 6.1 and 6.2.

4.2 Revision to Schedule 32, Paragraph 4.2

4.2 For Final Demand Sites within the group identified in Paragraph 1.5(d), each DNO/IDNO Party shall allocate its Final Demand Sites to the relevant charging band based on the following criteria:

- (a) for a Final Demand Site that is half hourly settled:
 - (i) if 24 months of data is available, the average annual import consumption based on metered data over the 24 months; or if not available
 - (ii) when a minimum of 12 months of data is available, the average annual import consumption over the period for which metered data is available; or if not available
 - (iii) other available information that is appropriate for a typical profile of a similar site to best estimate the expected annual import consumption of the Final Demand Site.
- (b) for a Final Demand Site that is non-half hourly settled:
 - (i) the most recent Estimated Annual Consumption for that Final Demand Site; or if not available
 - (ii) the Default Estimated Annual Consumption for that class of Final Demand Site; or if not available

- (iii) other available information that is appropriate for a typical profile of a similar site to best estimate the expected annual import consumption of the Final Demand Site; or

- (c) if a Final Demand site has been reallocated to a different charging band in accordance with Paragraphs 6.1 and 6.2, the average annual import consumption based on metered data or the most recent Estimated Annual Consumption (as applicable) over a period subsequent to any changes made in relation to the reallocation to a different charging band using Paragraphs 6.1 and 6.2.

Text Commentary

- 4.3 The suggested text modifies Schedule 32 Paragraphs 4.1 and 4.2 to take account of changes made under Paragraphs 6.1 and 6.2.

5 Code Specific Matters

- 5.1 None

6 Relevant Objectives

	DCUSA General Objectives	Identified impact
<input type="checkbox"/>	1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	None
<input type="checkbox"/>	2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity	None
<input type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	None
<input type="checkbox"/>	4. The promotion of efficiency in the implementation and administration of the DCUSA	None
<input type="checkbox"/>	5. Compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

	DCUSA Charging Objectives	Identified impact
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<input type="checkbox"/>	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
<input checked="" type="checkbox"/>	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)	Positive
<input type="checkbox"/>	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
<input type="checkbox"/>	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
<input type="checkbox"/>	5. That compliance by each DNO Party with the Charging Methodologies facilitates compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and	None
<input type="checkbox"/>	6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	None

6.1 We believe that the current wording has an unintended consequence and thus, as it currently stands, the text doesn't properly facilitate competition in the generation and supply of electricity. We expect that this Change Proposal would better facilitate Charging Objective Two, as it will allow sites to be allocated to an appropriate residual charging band based on a fairer assessment of the average capacity/consumption and thus would promote enhanced competition among similar end users.

7 Impacts & Other Considerations

7.1 None.

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

7.2 No.

Does this Change Proposal Impact Other Codes?

BSC..... ☐ MRA..... ☐

CUSC..... ☐ SEC..... ☐

Grid Code..... ☐ REC..... ☐

Distribution Code.. ☐ None..... ☒

Consideration of Wider Industry Impacts

7.3 No.

Confidentiality

7.4 No parts of the Change Proposal are confidential.

8 Implementation

Proposed Implementation Date

8.1 Next published DCUSA release following Authority approval of the change.

9 Recommendations

The Code Administrator will provide a summary of any recommendations/determinations provided by the Panel in considering the initial Change Proposal. This will form part of a Final Change Report.