

DCUSA Consultation		At what stage is this document in the process?
<h1 data-bbox="209 349 643 439">DCP 414</h1> <h2 data-bbox="204 479 1070 692">Transitional Protection for NHH CT Customers affected by regulatory change.</h2> <p data-bbox="209 712 451 745">18 October 2022</p> <p data-bbox="209 766 464 801">Standard Change</p>		<p data-bbox="1114 344 1278 407">01 – Change Proposal</p> <p data-bbox="1114 472 1342 506">02 – Consultation</p> <p data-bbox="1114 584 1374 618">03 – Change Report</p> <p data-bbox="1114 680 1278 743">04 – Change Declaration</p>
<p data-bbox="204 848 662 884"><b>Purpose of Change Proposal:</b></p> <p data-bbox="204 904 1390 1099">DCP 414 seeks to provide transitional protection for Non Half-Hourly Current Transformer customers moving to Half-Hourly settlement &amp; prevent penal excess capacity charges being applied to customers in any instance that the Maximum Import Capacity is a zero value because there is no site-specific connection agreement in place between users &amp; Distribution Network Operators.</p>		
	<p data-bbox="336 1135 1401 1283">This document is a Consultation issued to DCUSA Parties and any other interested Parties in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 414 ‘Transitional Protection for NHH CT Customers affected by regulatory change’</p> <p data-bbox="336 1301 1390 1373">The Working Group recommends that this Change Proposal should proceed to Consultation.</p> <p data-bbox="336 1391 1390 1576">Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 1 to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> by 30 March 2023. The Working Group will consider the consultation responses and determine the appropriate next steps for the progression of the Change Proposal (CP).</p>	
	<p data-bbox="336 1615 938 1650">Impacted Parties: Suppliers/DNOs/IDNOs</p>	
	<p data-bbox="336 1731 608 1767">Impacted Clauses:</p> <p data-bbox="336 1785 1329 1821">Solution A - Section 2A, Schedule 2B, Schedule 16, and Schedule 32</p> <p data-bbox="336 1839 1273 1912">Solution B - Section 2A, Schedule 2B, Schedule 16, Schedule 17, Schedule 18 and Schedule 32</p>	

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Any questions?

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## Timetable

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

### Change Proposal timetable

Activity	Date
Initial Assessment Report Approved by Panel	18 October 2022
Consultation one issued to Parties	14 November 2022
Consultation two issued to Parties	10 January 2023
Consultation three issued to Parties	16 March 2023
Change Report issued to Panel	May 2023
Change Report issued for Voting	May 2023
Party Voting Ends	June 2023
Change Declaration Issued to Parties	June 2023
Change Declaration issued to Authority	June 2023
Authority Decision	TBC
Implementation Date	November 2023 scheduled release

## 1 Summary

### What?

- 1.1 The Proposer suggests that the purpose of this Change Proposal (CP) is threefold as follows:
- To remove the excess capacity rate on new Half-Hourly (HH) customers where there is no Maximum Import Capacity (MIC) available;
  - To make arrangements for the transitional protection for Non-Half-Hourly (NHH) Current Transformer (CT) customers affected by Balancing and Settlement Code (BSC) Modification P432<sup>1</sup> and Market-wide Half-Hourly Settlement (MHHS); and
  - To ensure a fair and consistent approach is adopted wherever a change of residual charging band occurs as a consequence of regulation change.

### Why?

- 1.2 BSC modification P432 'Half Hourly Settlement for CT Advanced Metering Systems' has been raised to enact the Code Change and Development Group (CCDG) recommendation to carry out Change of Measurement Class (CoMC) ahead of the required migration to the MHHS Target Operating Model, (TOM), on the basis that it is a key enabler to facilitate the transition of the Advanced metered segment to the MHHS TOM by placing obligations on BSC parties for CT Advanced Meters ahead of the migration to MHHS to become HH settled.
- 1.3 On 26th August 2022 the Authority decided to send back P432<sup>2</sup> citing two reasons that require further development to enable the authority to make a final decision. The first reason is in relation to the proposed timings to implement P432 in light of the current market conditions, which is being addressed by the P432 working group and explained further in later paragraphs. The second reason is in relation to the likelihood of excess capacity charges being applied to customers in scope of the P432 solution, for which this modification seeks to address. The below extract from Ofgem's Decision to send back P432 outlines:

*"We understand and appreciate the benefits of de-risking the MHHS Programme and as such agree with the recommendation made by the CCDG to migrate CT Advanced Meters ahead of MHHS migration. However, we also recognise that in current market conditions, which have changed since this modification's conception, it may not be appropriate to require suppliers to prioritise migration of CT meters over the coming months.*

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<sup>1</sup> [P432 'Half Hourly Settlement for CT Advanced Metering Systems' - Elexon BSC](#)

<sup>2</sup> [Decision to Send Back Modification P432 'Half Hourly Settlement for CT Advanced Metering Systems' | Ofgem](#)

*We also agree with concerns that costs to customers might increase inappropriately if their capacity requirements are not properly understood ahead of migration. We indicated in [our decision on DCP161](#)<sup>3</sup> that we expected Network Operators to engage with customers being moved to HH to ensure that appropriate capacity limits were being set. We understand that no code requirements have been introduced to ensure that this happens and that customers who are moved to HH in response to regulatory (rather than customer) requirements may be at risk of being exposed to higher prices than is appropriate for their usage. We consider that it is important, particularly in the context of current energy prices, that action is taken to address this generally, and specifically in relation to P432”*

## How?

- 1.4 This CP aims to create transitional protection for customers affected by P432 and for any other regulatory reason that requires users to move from NHH-HH including MHHS programme requirements<sup>4</sup>.
- 1.5 Many elements of the required protections have been provided by amending the transitional text implemented by DCP248<sup>5</sup> 'Providing protection for customers against being charged inappropriate capacity charges during the implementation of P272', as described in Clause 19 and Schedule 16, Part 4 of the DCUSA.
- 1.6 This consultation considered the responses received from the second consultation and developed two solutions for further consideration.

## Solution A – Default MIC

### Clause 19

- 1.7 The transitional protection section in Clause 19 has been amended to cater for P432 and any other CT Metering Points migrated during the MHHS Programme. In addition, an obligation has been placed on suppliers to communicate with their customers, as part of the migration

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<sup>3</sup> [Decision to defer implementation of DCP161 | Ofgem](#)

<sup>4</sup> [Programme Overview - MHHS Programme](#)

<sup>5</sup> [Providing protection for customers against being charged inappropriate capacity charges during the implementation of P272 - DCUSA](#)

process, regarding the protection that is to be provided and the process to be adopted where a default MIC value has been used where none was agreed in advance.

- 1.8 The customer is to be contacted by the distributor to replace the default MIC where a revised value has been calculated from actual metering data received during the transition period and the customer is to be notified of their rights under the National Terms of Connection.

#### Schedule 16 Part 4

- 1.9 Currently this covers the provision to retrospectively apply the MIC for a period of 12 months for P272 “Mandatory Half Hourly Settlement for Profile Classes (PCs) 5-8”<sup>6</sup> migration. This has been amended to cater for P432 and CT Metering Points migrated during the MHHS Programme.
- 1.10 Rather than provide a sunset clause which closed off the provisions of P272 protection on 31st March 2017, this has been amended to eighteen months from the migration date, which allows for twelve months data to be received and a further six months to agree a MIC with the customer or notify them of the revised MIC based on the metering data received.
- 1.11 Where the default MIC is replaced with a revised MIC then:
- If the revised MIC is lower than the default it will be applied retrospectively from the date of the migration.
  - if the revised MIC is higher than the default it will be applied retrospectively from the date the MIC breached the default value.
- 1.12 This ensures that the customer is protected from either excess capacity charges due to the default MIC being set too low or being overcharged capacity charges where it is set too high.

#### Solution B – New Aggregated Tariff

##### Clause 19

- 1.13 The approach is the same but with slightly different obligations. The supplier leads the process and notifies the customer of the process to be followed but instead of notifying the customer of a default MIC it informs the customer that a new aggregated tariff will be applicable during the migration and transition period.
- 1.14 The distributor shall inform the Customer of the outcome of an assessment post transition as to whether to retain an aggregated tariff or, where the capacity is calculated above 69 kVA,

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<sup>6</sup> [P272 - Elexon BSC](#)

move to a site specific tariff, including the Maximum Import Capacity and the rights the Customer has to agree a Maximum Import Capacity under the National Terms of Connection.

## Schedule 16

- 1.15 The tariff name of “LV Domestic Aggregated” and “LV Non-Domestic Aggregated” have been retitled to “LV Domestic or CT Aggregated” and “LV Non-Domestic or CT Aggregated” and amendments throughout the schedule have been made to make these tariffs available not just to NHH tariffs but also to site specific measurement classes C and E.
- 1.16 Part 4 of schedule 16 has been amended to cater for P432 and CT Metering Points migrated during the MHHS Programme and to specify that at the point of migration customers will be assigned to an aggregated tariff, but actual data will be received on a site specific basis due to the move to measurement classes C or E.
- 1.17 Within six months following the completion of the [twelve months post migration/twelve months post MHHS M15 milestone] the distributor shall assess whether to continue to apply the aggregated tariffs or apply Site Specific tariffs.
- 1.18 Where demands in excess of 69kVA have been calculated the distributor shall reasonably determine an appropriate MIC, having regard to the maximum demands in that period and shall notify the Customer. Those with less than 69kVA will remain on the aggregated tariff.

## Schedule 17 and 18

- 1.19 Amend the tariff name in Paragraph 25.3 of both Schedules relating to Supplier of Last resort.

## Common to both solutions

### Schedule 2B

- 1.20 Schedule 2B “National Terms of Connection (NTC)”, Section 3, Clause 12 “Limitations of capacity” specifies that retrospective changes cannot be applied to the MIC. An additional clause has been added to make it clear that such clauses do not apply where Part 4 of Schedule 16 of the DCUSA is applicable.
- 1.21 An additional clause has also been added to provide liability protection should the value chosen be not suitable or has an impact on the Connection Assets.

### Schedule 32

- 1.22 An amendment to the exceptional Circumstances section has also been added to paragraph 6.1A to provide an additional criterion to where a Final Demand Site may be reallocated to a

different charging band. This now caters for where there is a change to the Maximum Import Capacity, in accordance with Part 4 of Schedule 16.

## 2 Governance

### Justification for Part 1 Or Part 2 Matter

2.1 This CP should be treated as a Part 1 Matter as it is likely to have a significant impact on the interests of electricity consumers (see Clause 9.4.1). It should also be noted that this has been raised following the Authority's decision to send back P432.

### Requested Next Steps

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

## 3 Why Change?

### Background of DCP 414

- 3.1 DCP 161 ['Excess Capacity Charges'](#)<sup>7</sup> implemented in April 2018 introduced the ability for DNOs to apply a excess capacity charge to reflect costs and charges a DNO could incur wherever sites demand exceeds the MIC.
- 3.2 In 2015, Ofgem deferred the implementation of DCP161 to enable industry to work through the bulk of NHH-HH migrations in line with P322 "Revised Implementation Arrangements for Mandatory Half Hourly Settlement for Profile Classes 5-8"<sup>8</sup>, resulting in DCP161 implementation 1 year later (as opposed to before) than the P272 mandate completed. This meant most customers that moved to HH via P272 were not charged at an I excess capacity charge, even those who had not agreed a MIC. Therefore, this presents a strong case to prevent excess capacity charges being levied on customer bills in the first instance, as opposed the reconciling once a MIC is agreed, which could take 12 months to achieve..
- 3.3 In addition, DCP 385 "[No Retrospective Capacity Reductions](#)" implemented on 4th November 2021 also prevents customers from retrospectively agreeing a MIC on the basis that capacity

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<sup>7</sup> [Excess Capacity Charges - DCUSA](#)

<sup>8</sup> [P322 - Elexon BSC](#)

charges should send cost signals to reflect current and future (as opposed to retrospective) availability of capacity across a distribution network, in accordance with the Charging Methodology (Schedule 16) and LC14 Charging Statements, any changes to the MIC are only applied going forwards.

- 3.4 DCP161 & DCP385 were implemented in a window between P272 in 2017 & P432 being raised in December 2021. DCUSA Schedule 16 (CDCM) part 4 provided protection for customers affected by BSC Modification P272, which was and remains a regulatory (rather than customer) requirement to move customers to HH. The scope of P272 focussed on moving PCs 05-08 meters only which by PC definition required settlement meters to have maximum demand (MD) recording capability. As such meters were configured to record a maximum demand (KW &/or KVA) resulting in Meter Point Administration Number (MPAN) allocation to the PCs 05-08 range. This requirement does not extend to meters allocated to PCs 01-04, reducing the likelihood of being able to collect the required data to inform the capacity level for each MIC.
- 3.5 DCP161 & DCP385 have addressed defects applicable to customers who are established CT HH customers, as such reversing the changes to cater for the remaining NHH CT customers to move into HH settlement could send inappropriate cost signals to the existing HH market, even if enacted on a temporary basis to facilitate the required CoMC activity

## Background to P432

- 3.6 The combined total of NHH CT Meters in scope of P432 and those not in scope of P432 (not advanced CT meters) is estimated to be 50,000 accounting for approximately 800 – 1,500 GWh per year [1-2% of the total Supplier Volume Allocation import volume] moving to HH Settlement via the existing CoMC process, such that all CT Metering Systems will be settled HH no later than migration for the Advanced segment under MHHS TOM.
- 3.7 If P432 is approved, then CoMC activity would see Domestic CT users transfer from Measurement Class A (NHH) to Measurement Class F (Domestic HH) and Non-Domestic CT users with Advanced CT meters connected transfer from Measurement Class A to Measurement Class C (more than 100kW) or Measurement Class E (100kW or less). DCUSA Schedule 16 (CDCM) outlines that where a non-domestic user moves from aggregated Distribution Use of System (DUoS) tariffs to site specific DUoS tariffs, capacity charges become a separate chargeable item, with a capacity charge rate and an excess capacity charge rate, with both rates charged on a p/kVA/day basis, and represented as such in the network bill, concurrent with the CoMC EFD.
- 3.8 As noted in Section 1 above, the Proposer suggests it may also be appropriate to consider further changes to better enable supplier and DNO sharing of information. The rationale for this suggestion is the potential that the P432 migration window could be more than 2 years and is likely to overlap with the MHHS TOM Transition. Ultimately the requirement to ensure a MIC is in place does not go away and in turn DCUSA parties should actively promote and

collaborate to ensure a MIC is in place at the earliest opportunity, particularly where it can be informed by accurate information (e.g. customer data, loads tests etc) early. As such DNOs may want to understand and in turn plan their resource for agreeing MICs, which would require suppliers to share information on the basis that they control the CoMC process. As such it may be appropriate to provide transitional clauses to facilitate such requirements in Section 2A – Distributor to supplier/Generator relationships.

- 3.9 The method of transition to HH settlement under P432 (Via CoMC) and MHHS Transition (TBC but likely to be by connection type) are going to be different, as measurement classes will not exist under the MHHS TOM arrangements. P432's current proposed migration window may also enable the ability for suppliers to migrate Advanced CT meters into the MHHS TOM rather than CoMC because the M11 "Advanced & UMS segment go live" MMHS programme milestone is earlier than the proposed completion date NHH-HH activity under P432. The issues that prevent a customer's ability to set a MIC in advance remain the same for both P432 and MHHS TOM, which provides the rationale for this modification to implement a solution that prevents excess capacity charging from occurring for the entire NHH CT metered population transitioning to HH settlement arrangements, as opposed to just Advanced CT meters impacted by P432's proposals.

### Additional Background to this CP

- 3.10 A key element in calculating a site specific kVA level requires the measurement of reactive power (kVArh) as well as active power (kWh) to HH settlement periods. Currently NHH advanced CT meters allocated to PC 01-04 do not have requirements in place to measure maximum demand. As such it is likely in many cases that the Meter Equipment Manager will be instructed to re-configure the advanced meter to include the reactive power recording measurements on the meter around the time the MPAN becomes HH, in order to meet requirements defined in each DNO's Licence condition (LC) 14 Use of System Charging Statements.
- 3.11 In practical terms, the reason why suppliers may choose to configure metering in line with the MPAN HH EFD is because the act of re-programming an advanced meter may result in the loss of required NHH tariff configurations, which form a key part of NHH settlement arrangements as well as customer billing.
- 3.12 This means that many of the existing NHH advanced CT meters in scope of P432 will not currently be recording reactive power measurements of any kind. This makes it challenging for customers to accurately inform the MIC ahead of moving to HH settlement, leading to customer exposure against the excess capacity charging rate for any capacity taken above the MIC. Conversely if an assumption of reactive power is made (e.g. through a power factor assumption if historical active power HH data is available) then the MIC level could be set too high, which could not be retrospectively adjusted because of the DCP385 solution. As such calculating and agreeing a MIC with a customer in advance of moving to HH settlement is

both problematic and can cause financial detriment to customers by being exposed to higher prices than is appropriate for their use of the network.

- 3.13 If suppliers were to CoMC NHH advanced CT customers to HH settlement from PC 03-04 without customers agreeing a MIC with their DNO, therefore resulting in a zero MIC being applied to the MPAN, capacity charges could be levied only on the higher excess capacity charging rates for all demand.

## 4 Code Specific Matters

4.1 It should be noted that a meeting was held between Elexon, ElectraLink, Ofgem and the Proposer on 09 September 2022 to discuss the raising of this CP following the Authority's send back of and covered:

- The DCUSA progression route and timelines,
- Whether Ofgem have considered DCP248 as a possible solution,
- Further clarification on addressing issues for customers that were migrated under P272, and
- Communication between DNOs and customers.

4.2 There was a further meeting on 16 September 2022, and following this meeting Ofgem have indicated that they will need to take a decision on P432 by 29 March 2023 and that ideally, Ofgem would be able to take a decision on P432 having already received the DCUSA Change Declaration for this CP. This is reflected within the P432 Send Back Consultation which was issued on 11 October 2022 with the inclusion of the below text:

*“Ofgem require this DCUSA modification to come into force before P432 obligations come into force. The P432 Workgroup are of the view, including the DCUSA modification Proposer, that this is reasonably achievable given their revised P432 Implementation Date of 29 June 2023. The Workgroup included a DCUSA representative who confirmed, subject to how Workgroup discussions and impact assessments unfold, should be achievable, particularly given the request from Ofgem to treat this as a priority. “*

## 5 Working Group Assessment

### DCP 414 Working Group Assessment

- 5.1 The DCUSA Panel established a Working Group to assess DCP 414. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website<sup>9</sup>.
- 5.2 The Working Group reviewed the CP and noted that it had been raised following Ofgem's send back of BSC modification P432. This was sent back to ensure that costs to customers do not increase inappropriately if their capacity requirements are not properly understood ahead of migration. Ofgem also stated that no code requirements have been introduced to ensure that this happens and that customers who are moved to HH in response to regulatory (rather than customer) requirements may be at risk of being exposed to higher prices than is appropriate for their usage. An extract of the Ofgem statement is in paragraph 1.3 together with a link the P432 send back decision document.
- 5.3 The Ofgem representative advised that the position with the BSC Modification is that Ofgem weren't comfortable for that activity to begin until a solution is set in place on the DCUSA side.
- 5.4 It was clear that this CP could also extend to the MHHS migration. As P432 scope is limited to advanced meters and there may be some CT metered customers who did not transition during P272. Therefore, this same methodology could be applied to the MHHS migration.
- 5.5 The communication between parties and customers was discussed. During DCP 248 'Providing protection for customers against being charged inappropriate capacity charges during the implementation of P272', this was distributor led. The Working Group agreed to explore this further with contributions from suppliers. For this to be developed, it was helpful to understand if there were any lessons learned from the industry changes raised to support the migration due to P272.
- 5.6 The Working Group discussed the current Change of Measurement Class process specifically where this related to CT customers moving from NHH to HH measurement classes that would result in tariffs with a capacity charge.
- 5.7 One area that needed to be considered was transitional protection that will be required for these customers and ultimately the proposal was seeking to have a fairer and more transparent way of charging customers entering the HH market.
- 5.8 The Working Group also considered the implementation timeline. P432 had an implementation date of June 2023 as long as the Ofgem decision is made by April 2023. If

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<sup>9</sup> [www.dcusa.co.uk](http://www.dcusa.co.uk)

the Ofgem decision comes later than April 2023 the implementation date will be 3 months post decision. Based on this the suggested date for DCP 414 was also June 2023.

- 5.9 Another area the Working Group wanted further information on was whether the current process was automated or manual, and if the former what would the likely system impact be because of the currently proposed solution.
- 5.10 A series of questions were developed which the Working Group believe would assist in developing the solution that formed part of the first consultation with outcome of the results assisting in the solution.

## Consultation 1

- 5.11 The first consultation was issued to parties on 14 November 2022. There were nine responses received to the consultation. The Working Group's conclusions can be found in **Attachment 3 DCP 414 Consolidated Consultation 1 Responses**, with a summary of each shown below.
- 5.12 All respondents understood the intent of the change proposal with six of the nine supporting the principles. Those that didn't stated that there was either no rationale to treating customers differently or they did not support P432.
- 5.13 Respondents identified several lessons learned during the transition of P272 ranging from proving as long a transition period as possible so that accurate data can be obtained, it should be supplier led and communication with the customer being important.
- 5.14 The existing process for establishing the capacity was manual and either used known data, data provided by the customer or the use of a default value.
- 5.15 The number of customers identified was circa 60,000. P432 suggested around 50,000 impacted customers which was derived from data in 2018.
- 5.16 Many respondents mentioned that if the process was to charge the customer at the non excess capacity rates on the total demand once they have migrated to HH settled, in the absence of a valid MIC, new tariffs, new Market Domain Data and new Line Loss Factor Classes would indicate an implementation date of April 2025, and this would require changes to the CDCM, unless a derogation was granted as CDCM changes typically take no less than 15 months.
- 5.17 One respondent raised that a process could be introduced similar to the P272 process by having a default MIC and reconciliation at the end of the transition period.
- 5.18 On potential wider industry developments, over and above those already known, was the decision to allow a reverse migration during MHHS.
- 5.19 Most of the responses supported an implementation date in line with P432. There was concern however that as billing systems required changing, the testing period for these changes could take up to 6 months so there was a risk that the initial stated implementation

date for DCP 414 (June 2023) would create a risk as there wouldn't be enough time to rigorously test the changes that would be needed.

5.20 Another respondent stated that April 2025 would be an appropriate implementation date.

### Areas for consideration

5.21 After consideration of the first consultation responses, the Working Group identified the following areas for further consideration:

- MIC charging;
- Scope of the change proposal;
- Communications approach;
- Reverse migration; and
- Additional protection (National Terms of Connection and Schedule32).

### MIC Charging

5.22 The Working Group identified three options for the solution. These were:

- Matching excess capacity charging rate to capacity charging rate;
- Using default values, similarly to what was used for P272; or
- Agree the MIC prior to migration.

#### **Option 1 - Matching excess capacity charging rate to capacity charging rate.**

5.23 Distributors would need to amend the excess charging rate to be the same as the normal capacity charging rate which would result in a new set of tariffs being introduced. In addition, post the migration, distributors would then need to “unpick” the changes back to their current state. This option is the one contained within the change proposal and feedback on this was received during the first consultation.

5.24 Parties raised concerns over the proposed solution indicating that it would:

- take too long to implement;
- would impact distributors systems and processes significantly;
- lead to CDCM changes and model changes which would mean an implementation date of 2025 or derogations required from the Authority; and
- curtailing the migration window for P432.

#### **Option 2 - Using default values**

5.25 The distributors would need to introduce a default value for all customers that did not have a MIC. There would be an enhanced reconciliation process whereby the distributors would reconcile the MIC value after 12 months based on metered data and any network constraints

during that period, if not agreed with the customer in that intervening period. Any existing rights on capacity changes will remain noting that the National Terms of Connection preventing any amendments to the MIC would not apply during the 12 month post migration.

- 5.26 A number of respondents suggested the use of a default MIC within their consultation response. The Working Group believe that this is the easiest option to develop and implement and give the most optimal outcome for customers. It was also noted as the solution that could be delivered alongside P432.
- 5.27 If this Option is supported, the Working Group believe that rather than the industry determine the default value the distributors should decide what the value should be especially since these values are already part of some distributors' systems and processes.
- 5.28 An argument was put forward to determine a more accurate default value based on the type of customer rather than one value fitting all. Whilst this approach may provide a more accurate value, it is still an estimate, would result in significant work in advance to obtain the data, agree industry values by customer type and process time in entering the data on the distribution systems. In addition, the value of a default is that it is easily identifiable (i.e. that a customer has a default MIC) and the advanced reconciliation process will mitigate any inaccuracies.
- 5.29 The Working Group opted to leave the default value to the discretion of the distributor and this would need to be provided to suppliers as part of the communication to customers.

### **Option 3 - Agree the MIC prior to migration**

- 5.30 This process would require Suppliers to ensure that their agents can collect the data that would calculate the MIC in advance of migration. This option was developed because some of this data may already be available, and the metering equipment will need to be configured to provide it at the change of measurement class stage. The MIC could be either calculated or agreed with the customer prior to migration thereby avoiding the need for any system changes associated with Option 1.
- 5.31 The Working Group agreed that this option would still need to have a MIC default value included for sites where such data has not been made available and this change proposal would not prevent a customer agreeing a MIC in advance of the migration.
- 5.32 It was also noted that this option may also require some Retail Energy Code changes around Meter Equipment Managers and suppliers.
- 5.33 The Working Group believe that option 2 is the best solution to develop further.

### **Scope of the change proposal**

- 5.34 The scope of the change is broad enough to not only cater for P432 but also for any other NHH CT metered customers that are not covered by the BSC Modification that will be migrated during the MHHS Programme.

- 5.35 It is clear from the feedback during the first consultation that the P272 migration still has some customers that have not migrated. These customers will be picked up by the MHHS Programme and will need to have the same protection provided initially by P272 (which has now lapsed due to a sunset clause) and avoids a further change proposal.
- 5.36 The Working Group agreed to cater for both the migrations of P432 and the MHHS migrations scenarios.
- 5.37 The Working Group then discussed whether to have a sunset clause. The MHHS Programme is still developing, and consulting on, a replan where the date of the transition period may be amended.
- 5.38 Equally P432 is suggesting that the migration is completed by the MHHS Transition Timetable M14 milestone (all Suppliers must accept MSIDs under the new TOM (one way gate) which is circa six months later than M11 (start of 1 year migration for UMS/Advanced).
- 5.39 Notwithstanding the reverse migration that M14 could introduce (covered later in this document in paragraph 5.35) the Working Group therefore favoured a twelve-month period from the migration date of each Metering Point. This is a more flexible approach since the migration needs to cover both the P432 timescales and those of the MHHS Programme.

## Communications Approach

- 5.40 The Working Group discussed the communications required for the change proposal. It recognised the concerns raised within the first consultation regarding the approach adopted for P272 and agreed that this did not work satisfactorily. There was support for this to be led by suppliers. Suppliers have the main relationship with the customer, they have their contact details and more importantly they will be leading on both the P432 migration and the MHHS migration.
- 5.41 As part of the amendment to DCUSA Clause 19 covering the transitional protection an additional obligation has been placed on Suppliers to communicate with their customers, as part of the migration process, on the protection that is to be provided and the process to be adopted on MIC values where none is agreed in advance.
- 5.42 The Working Group agreed that communication prior to migration should include as a minimum the following information:
- Site address information, including MPAN and meter serial number;
  - Reason for the correspondence;
  - Migration date;
  - Maximum Import Capacity, or if not already agreed with the Customer, MIC default value;
  - Distributor's contact details; and

- Explanation of the consequences and protections offered, including any amendment to the MIC and any rebates that may be warranted.

## Reverse migration

- 5.43 There is a window where a customer moves to HH settlements but may move back to NHH settlements. Whilst ultimately, they will eventually be settled HH this may result in a customer entering the protection offered by this change proposal and then reverting back.
- 5.44 The Working Group considered the impact and have suggested that this protection should only cover the 12 months following the first migration.

## Additional protection (NTC and Schedule32)

- 5.45 Schedule 2B “National Terms of Connection (NTC)”, Section 3, Clause 12 “Limitations of capacity” specifies that retrospective changes cannot be applied to the MIC.
- 5.46 To counter this the Working Group have added an additional paragraph to make it clear that such obligations do not apply where Part 4 of Schedule 16 of the DCUSA is applicable.
- 5.47 An amendment to the Exceptional Circumstances section of schedule 32 has also been added to paragraph 6.1A to provide an additional criterion to where a Final Demand Site may be reallocated to a different charging band. This now caters for where there is a change to the MIC, in accordance with Part 4 of Schedule 16.

## Consultation Two

- 5.48 The second consultation was issued to parties on 10 January 2023. There were eight responses received to the consultation. The Working Group’s conclusions can be found in **Attachment 4 DCP 414 Consolidated Consultation 2 Responses** with a summary of each shown below.

### **Question 1 – Which option do you support? Please provide rationale.**

- 5.49 There were eight responses received with five supporting option 2 and one supporting option 3 and two supporting alternative approaches.
- 5.50 The two suggested alternative approaches were similar,
- Alternative 1 - these customers are billed on an HH aggregated basis for a full twelve months from April-March and agree a MIC during that time otherwise no change to HH site specific tariff is made until agreement is reached.
  - Alternative 2 - these customers stay on the aggregated tariff structure that is currently applicable to them until all customers have migrated. A future change could then consider the appropriate charging arrangements in the MHHS world.

**Question 2 – Where the customer has not agreed a MIC during the 12 month period post migration should the distributor calculate the MIC and notify the customer of the revised value? Please provide rationale.**

5.51 In response to this question there were:

- three respondents with outright support for the approach;
- two suggesting that any changes should be notified to the supplier to notify the customer;
- one suggesting that an obligation should be on the distributor to attempt to discuss with the customer rather than amend at the end of the process;
- one suggesting that this may breach the Electricity Act and the NTC; and
- one said the question was not applicable to them.

**Question 3 – Do you believe that the MIC Default value should be left to the distributor to determine? Please provide rationale.**

5.52 There were five responses in favour of the distributor setting this value, one seeking a common value across the industry and two offering no response.

5.53 The respondent not in favour suggested that setting the default MIC too high will result in unnecessary additional administrative effort via the retrospective element of this proposal and is also likely to result in enduring and inappropriately high-capacity costs if customers do not engage with the distributor to agree a more suitable MIC.

**Question 4 – Should the CT Metered Customers not covered by P432 be extended the same protection? Please provide rationale**

5.54 The responses to this question were:

- Five were in agreement;
- One not in agreement citing this would fall under business as usual processes; and
- Two offered no opinion.

**Question 5 – Should the MIC protection be subject to sunset clause or a defined period after the migration has taken place? Please provide rationale.**

5.55 Six respondents agreed with a defined period being set rather than a sunset clause. One respondent added that it should be longer than twelve months suggesting that twelve months of data should be used and then a further three months to agree the revised MIC value.

5.56 One respondent supported a sunset clause and the final respondent replied that the question was not applicable to them.

**Question 6 – Do you agree with the Working Group that the communications should be led by the supplier? Please provide your rationale.**

5.57 Six respondents supported a supplier led approach with one supporting a Distributor approach but with collaboration between both. The other respondent stated that the question was not applicable to them.

**Question 7– Is there any further information that needs to be added to the obligation placed on the supplier? Please provide your rationale.**

5.58 Two respondents identified additional suggestions to the communication.

5.59 The first respondent suggested a common set of words in the communication.

5.60 The second sought to add a further addition regarding the distributor revising the MIC at the end of the process if this was not agreed with the customer together with the sharing of information with the distributor and the use of common language within the communication.

**Question 8– Should the protection offered be a once only protection even though customers may revert back? And are there any unintended consequences Please provide your rationale.**

5.61 Five respondents supported a one time protection approach, two provided no response and one suggesting that this could be avoided by keeping the customers on a HH aggregated tariff.

**Question 9– Is the additional protection provided in the National Terms of Connection and the Residual Charges schedules sufficient? Please provide your rationale.**

5.62 Five respondents agreed with the amendments to the National Terms of Connection and the residual charging band although one sought additional clarity on residual charges.

5.63 One respondent suggested that it needs to be made clear that retrospective changes of MIC, made in the guise of protecting the customer, cannot lead to higher overall costs in those historic months.

5.64 The other two respondents had no comments.

**Question 10 – Do you consider that the proposal better facilitates the DCUSA objectives? Please give supporting reasons.**

5.65 One respondent stated that the question was not applicable to them, one disagreed and the remaining six respondents agree that the objectives would be better facilitated. One

respondent caveated their response indicating that this was based on the assumption that Option 2 (default EAC) was the chosen option.

- 5.66 The respondent who disagreed cited a risk to suppliers who wish to negotiate longer term contracts with customers thereby affecting competition. Cost reflectivity is negative because of the use of default tariffs and the expectation that customers will not engage in the process
- 5.67 The table below provides a summary of the responses against each objective:

Charging Objectives						
Responder	1	2	3	4	5	Overall response
Responder 1						N/A
Responder 2						Yes
Responder 3		Negative	Negative			Negative
Responder 4						Yes
Responder 5						Yes
Responder 6		Positive		Positive		Positive
Responder 7		Positive	Positive	Positive		Positive
Responder 8			Positive	Positive		Positive

General Objectives						
Responder	1	2	3	4	5	Overall response
Responder 1						N/A
Responder 2						Yes
Responder 3		Negative				Negative
Responder 4						Yes
Responder 5						Yes
Responder 6						N/A
Responder 7		Positive				Positive
Responder 8						N/A

## Question 11: What date do you believe this change proposal should be implemented? Please provide rationale.

5.68 Five respondents supported a June release to align with P432. One suggested April 2025, one six months following Authority consent and the other offered no opinion.

## Question 12: Do you have any comments on the draft legal text?

5.69 Two respondents provided additional information on the legal text. The first cited a preferred distributor approach rather than a supplier led one together with a more flexible migration approach and the second highlighting some typographical errors.

## Question 13: Do you have any further comments on this change proposal?

5.70 No comments were received that were not covered by a response to an earlier question.

### Consultation two conclusions

5.71 After reviewing the second consultation responses, on the key question of which option to progress there was significant support for the default value solution, however the Working Group noted the responses suggesting an alternative solution to apply an aggregated tariff during transition. A Sub-Group was formed and concluded that this alternative solution was feasible.

5.72 The Working Group agreed to develop two solutions, the default MIC solution (which has been further developed using feedback from consultation two and the alternative solution and conduct a further consultation.

### Solution A – Default MIC value

5.73 The Distributor will decide on the default MIC value were there has been no agreement with the customer in advance of the migration for either P432 or CT customers migrating due to MHHS.

5.74 The communication with the customer will be initially led by the Supplier prior to migration and completed by the Distributor when a revised MIC has been calculated.

5.75 The transition period is to be applied on the first migration (and not on any future migration should a reverse migration take place) and will be closed eighteen months from the migration date, which allows for twelve months data to be received and a further six months to agree a MIC with the customer or notify them of the revised MIC based on the metering data received.

5.76 Where the default MIC is replaced with a revised MIC then:

- If the revised MIC is lower than the default it will be applied retrospectively from the date of the migration.
- if the revised MIC is higher than the default it will be applied retrospectively from the date the MIC breached the default value.

- 5.77 This ensures that the customer is protected from either excess capacity charges due to the default MIC being set too low or being overcharged capacity charges where it is set too high.
- 5.78 Two additional clauses have been added to the National Terms of Connection. The first one to make it clear that the paragraph referring to retrospective changes cannot be applied to the MIC does not apply where Part 4 of Schedule 16 of the DCUSA is applicable. The second one to provide liability protection should the value chosen not be suitable or have an impact on the Connection Assets.
- 5.79 An amendment to the exceptional Circumstances section has also been added to paragraph 6.1A to provide an additional criterion to where a Final Demand Site may be reallocated to a different charging band. This now caters for where there is a change to the Maximum Import Capacity, in accordance with Part 4 of Schedule 16.

## Solution B – New Aggregated Tariff

- 5.80 This solution effectively keeps the customers on the same tariff as they are now by making it available to Measurement Class C and E. This is achieved by changing the name of the tariff and several changes to the CDCM schedule.
- 5.81 It applies the same tariff components as the NHH domestic and NHH non domestic tariffs but requires the creation of new LLFCs to differentiate between NHH and HH settled arrangements.
- 5.82 The Working Group contacted Elexon to determine the impact on whether to:
- use existing LLFCs;
  - create new measurement classes; or
  - create new LLFCs for use on Measurement Class C or E.
- Elexon advised that their favoured approach would be the creation of new LLFCs however consideration needed to be given to the timescale to create them.
- 5.83 The Working Group acknowledged that when new LLFCs were created for the Targeted Charging Review (TCR), this was done in batches consisting of releases every five weeks. It was clarified that there will need to be new LLFCs which is likely to be much lower in volumes than those created for the TCR, but the Working Group agreed that this could potentially cause a delay in delivering this change.
- 5.84 The communications approach would be the same as Solution A, initially supplier led and concluded by the distributor with a slightly different message based on the solution but the need to provide contact details being the same.
- 5.85 Within six months following the completion of the either twelve months post migration or twelve months post MHHS M15 milestone (discussed further within the consultation section

below) the distributor assesses whether to continue to apply the aggregated tariffs or apply Site Specific tariffs based on the actual metering data received post migration.

- 5.86 Where demands in excess of 69kVA have been calculated the distributor shall reasonably determine an appropriate MIC, having regard to the maximum demands in that period and shall notify the Customer.
- 5.87 Two additional clauses have been added to the National Terms of Connection. The first one to make it clear that the paragraph referring to retrospective changes cannot be applied to the MIC does not apply where Part 4 of Schedule 16 of the DCUSA is applicable. The second one to provide liability protection should the value chosen not be suitable or have an impact on the Connection Assets.
- 5.88 An amendment to the exceptional Circumstances section has also been added to paragraph 6.1A to provide an additional criterion to where a Final Demand Site may be reallocated to a different charging band. This now caters for where there is a change to the Maximum Import Capacity, in accordance with Part 4 of Schedule 16

## Consultation three

5.89 The Working Group identified a number of options to Solution B as well as some areas for consideration by the industry.

## CDCM Derogation

5.90 The Working Group were uncertain as to whether a derogation to the CDCM would be required since the only change was the tariff name and not a methodology model change. However the LC14 charging statement may need to be updated with the new tariffs/LLFCs and approval sought for them.

5.91 The Working Group would like views as to whether Solution B requires a derogation and if so what type of derogation would be required i.e. an Ofgem derogation or a DCUSA specific derogation.

**Question 1: Does Solution B require a derogation and if so, what type of derogation would be needed? Please provide rationale.**

## Length of the migration period before an Assessment

5.92 The Working Group identified two options:

- Twelve months after the migration date (in line with Solution A); or
- Twelve months after the MHHS M15 milestone (full transition complete).

5.93 The first option caters for a more gradual transition starting at the earliest in November 2024 whereas the second option waits until October 2025 (subject to any further movement by the MHHS Programme).

## Length of the Assessment period

5.94 A timescale for each option was also considered in dealing with the assessment period due to the volumes to be reviewed. These were either:

- Six months to agree a MIC with a customer where the assessment is twelve months after migration; or
- If using the MHHS Programme's M15 milestone, a further six months to complete the assessment.

5.95 The Working Group are seeking views as to which option is preferred relating to when the assessment commences and on the length of the assessment period.

**Question 2: When should the assessment commence, twelve months post migration or twelve months after the M15 milestone? Please provide rationale.**

**Question 3: How long should the assessment period last for each option? Please provide rationale.**

## Site Specific or Aggregated

- 5.96 During the assessment period, any customer that has a calculated MIC, based on the metering data, of over 69kVA will be moved to a site specific tariff and this will be communicated to the customer. This includes Domestic customers where it is currently optional based on privacy. Those customers with a calculated MIC of below 69 kVA will remain on the aggregated tariff.
- 5.97 Currently all customers with CT metering should be charged on a Site Specific basis apart from Domestic Customers where it is optional. The approach adopted in this Solution introduces a further criterion relating to the size of capacity. The value chosen is where the threshold between whole current and where CT metering is required.
- 5.98 The argument in support of this is that existing customers' requirements change, new customers move into the premises and do not require such a capacity or indeed are aware of the consequences. The only option would be to remove the CT metering at a cost or introduce this solution. The counter argument is that this is the capacity at the site, customers are bound by the National Terms of Connection, and they can negotiate a capacity based on their needs.
- 5.99 The Working Group would like your views on the approach adopted for customers to move to a Site Specific Tariff and also whether the current optionality for Domestic customers should be removed.

**Question 4: Should customers only be moved to a site specific tariff if their calculated capacity is above 69kVA or should it be all customers in line with the current CDCM? Please provide your rationale.**

**Question 5: Should Domestic customers still retain optionality on whether to be charged on an aggregated basis or a site specific basis? Please provide your rationale.**

## Other changes

- 5.100 The changes to the NTC and the residual charges explained in paragraphs 5.87 and 5.88 equally apply to this Solution as well as Solution A and in addition the new tariff name change has been incorporated into Schedule 17 and 18.

## Solution A or B?

- 5.101 The majority of respondents to the second consultation preferred using a default MIC but the alternative approach has only been developed based on industry feedback during the same consultation, so the Working Group are now seeking views on which solution is preferred between the default MIC approach or a new aggregated tariff approach in providing protection to customers.
- 5.102 Below is a table of the two Solutions showing the key topics and the proposed approach to each:

Topic	Solution A	Solution B
Communications	Supplier led communication followed up by Distributor	Supplier led communication followed up by Distributor
During migration and assessment period	Use of Default MIC	New aggregated tariff
Assessment period starts	twelve months post migration Earliest start date Nov 24*	twelve months post migration Earliest start date Nov24* or twelve months post MHHS M15 milestone Earliest start date Oct 26^
Assessment end date	six months after the start of the assessment period	If Assessment period is twelve months, six months after the start of the assessment period or  If Assessment period is twelve months post M15, six months after the start of the assessment period
Criteria to move to site specific tariffs	In accordance with the current CDCM which says CT customers, apart from Domestic who have a choice, are on a site-specific tariff.	All customers (including Domestic) with a demand of over 69kVA to move to site specific, the rest to remain on the aggregated tariff or agreed capacity is negotiated in line with the NTC at any time.

\*Assumes implementation date is November 2023 and for Solution B new LLFCs have been created in that distributor area.

^assumes no change to the current MHHS Programme of M15 (Oct25) which is under review

5.103 The Working Group would like your views on which solution you prefer and whether anything in either solution would improve the other e.g. if you agree that the 69kVA threshold is the correct approach state that this should also be considered in Solution A.

Question 6: Which of the two Solutions do you prefer, Solution A or Solution B? Please provide your rationale.

Question 7: Is there anything in either Solution that would be an improvement to the other Solution? Please provide your rationale.

## 6 Relevant Objectives

### Assessment Against the DCUSA Objectives

6.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives. The full list of objectives is documented in the CP form provided as Attachment 2.

	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 checked="" 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	Positive
<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

6.2

	DCUSA Charging Objectives	Identified impact

<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 checked="" 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	Positive
<input checked="" 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

6.3 The view of the proposer has been updated during the course of the Working Group's development and is below:

- **General Objective 2:** This change will ensure that a consistent approach is taken by DCUSA parties when dealing with customers affected by P272, P432 & MHHS TOM transition when they seek to actively agree an enduring MIC.
- **Charging Objective 2:** This change will ensure that DNOs apply a common approach when dealing with customers affected by P432 and the onward transition to MHHS, when they seek to actively agree an enduring MIC and where they are not able to prevent excess capacity rates being levied.

- **Charging Objective 3:** This change will allow time for customers affected by P432 to actively engage with the DNO and agree a MIC which is appropriate for their requirements and hence the costs they impose on the network.
- **Charging Objective 4:** This change will permit DNOs to adopt their own approaches to initially overcome the administrative burden of setting an initial MIC for the c. 50,000 CT metered sites affected by P432 whilst allowing affected sites sufficient time to actively agree an enduring MIC. This change will also ensure that all DNOs are applying a common approach when dealing with customers affected by P432 when they seek to actively agree an enduring MIC.

6.4 This question was asked in the second consultation but now that there is a further Solution, the Working Group are seeking views on both Solutions developed based on feedback from the previous consultations.

**Question 8 Do you consider that Solution A better facilitates the DCUSA objectives? Please give supporting reasons.**

**Question 9 Do you consider that Solution B better facilitates the DCUSA objectives? Please give supporting reasons.**

## 7 Implementation

- 7.1 The proposed implementation date was June 2023, this was to align with P432's proposed implementation date along with BSC CP1558 "New Registration data items and processes to support the MHHS Programme". This is now unlikely.
- 7.2 The Working Group believed that Solution A could be implemented five working days after Authority approval.
- 7.3 Based on the time to finalise this change proposal, the lead time to implementation of Solution B and the next available release in the BSC post June 2023, the proposed implementation date is expected to be November 2023.

**Question 10: What date do you believe this change proposal should be implemented for Solution A? Please provide rationale.**

**Question 11: What date do you believe this change proposal should be implemented for Solution B? Please provide rationale.**

## 8 Legal Text

### Legal Text

#### Solution A - Default MIC

8.1 There are number of areas of the DCUSA that are amended to support this Solution:

- Clause 19 – amends the section on transitional protection for P432 and MHHS CT customers and includes obligations on both suppliers and distributors regarding communications;
- Schedule 2B - two paragraphs are added to section 3. The paragraph referring to retrospective changes cannot be applied to the MIC do not apply where Part 4 of Schedule 16 of the DCUSA is applicable and another additional clause has also been added to provide liability protection should the value chosen be not suitable or has an impact on the Connection Assets;
- Schedule 16 - amends Part 4 of schedule 16 by determining the migration and assessment period prior to finalising the MIC based on actual metering data and any credits to be applied; and
- Schedule 32 - the exceptional Circumstances section has been added to paragraph 6.1A to provide an additional criterion to where a Final Demand Site may be reallocated to a different charging band. This now caters for where there is a change to the Maximum Import Capacity, in accordance with Part 4 of Schedule 16.

8.2 Proposed legal drafting for this DCP can be found in **Attachment 5- DCP 414 Solution A Default MIC.**

### **Solution B – New aggregated tariff**

8.3 There are number of areas of the DCUSA that are amended to support this Solution:

- Clause 19 – amends the section on transitional protection for P432 and MHHS CT customers and includes obligations on both suppliers and distributors regarding communications;
- Schedule 2B - two paragraphs are added to section 3. The paragraph referring to retrospective changes cannot be applied to the MIC does not apply where Part 4 of Schedule 16 of the DCUSA is applicable and another additional clause has also been added to provide liability protection should the value chosen be not suitable or has an impact on the Connection Assets ;
- Schedule 16 has a number of amendments:
  - amends the tariff names of “LV Domestic Aggregated” and “LV Non-Domestic Aggregated” to “LV Domestic or CT Aggregated” and “LV Non-Domestic or CT Aggregated” throughout the schedule to make these tariffs available not just to NHH tariffs but also to site specific measurement classes C and E.
  - Part 4 of schedule 16 has been amended to cater for P432 and CT Metering Points migrated during the MHHS Programme and to specify that at the point of migration customers will be assigned to an aggregated tariff, but actual

data will be received on a site specific basis due to the move to measurement classes C or E.

- Within six months following the completion of the [twelve months post migration/ twelve most post MHHS M15 milestone] the distributor shall assess whether to continue to apply the aggregated tariffs or apply Site Specific tariffs.
- Where demands in excess of 69kVA have been calculated the distributor shall reasonably determine an appropriate MIC, having regard to the maximum demands in that period and shall notify the Customer. Those with less than 69kVA will remain on the aggregated tariff
- Schedule 17 – amended to cater for the new tariff name in paragraph 25.3;
- Schedule 18 – amended to cater for the new tariff name in paragraph 25.3; and
- Schedule 32 - the exceptional Circumstances section has been added to paragraph 6.1A to provide an additional criterion to where a Final Demand Site may be reallocated to a different charging band. This now caters for where there is a change to the Maximum Import Capacity, in accordance with Part 4 of Schedule 16

8.4 Proposed legal drafting for this DCP can be found in Attachment 6- DCP 414 Solution B Aggregated Tariff and, Attachment 7- DCP 414 Solution B, Schedule 17/18.

**Question 12: Do you have any comments on the draft legal text for Solution A?**

**Question 13: Do you have any comments on the draft legal text for Solution B?**

## 9 Consultation Questions

9.1 The Working Group is seeking industry views on the following consultation questions:

No.	Questions
1	Does Solution B require a derogation and if so, what type of derogation would be needed? Please provide rationale
2	When should the assessment commence, twelve months post migration or twelve months after the M15 milestone? Please provide rationale.
3	How long should the assessment period last for each option? Please provide rationale.

4	Should customers only be moved to a site specific tariff if their calculated capacity is above 69kVA or should it be all customers in line with the current CDCM? Please provide your rationale.
5	Should Domestic customers still retain optionality on whether to be charged on an aggregated basis or a site specific basis? Please provide your rationale
6	Which of the two Solutions do you prefer, Solution A or Solution B? Please provide your rationale
7	Is there anything in either Solution that would be an improvement to the other Solution? Please provide your rationale.
8	Do you consider that Solution A better facilitates the DCUSA objectives? Please give supporting reasons
9	Do you consider that Solution B better facilitates the DCUSA objectives? Please give supporting reasons
10	What date do you believe this change proposal should be implemented for Solution A? Please provide rationale
11	What date do you believe this change proposal should be implemented for Solution B? Please provide rationale
12	Do you have any comments on the draft legal text for Solution A
13	Do you have any comments on the draft legal text for Solution B

9.2 Responses should be submitted using Attachment 1 to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) no later than, 30 March 2023.

9.3 Responses, or any part thereof, can be provided in confidence. Responders are asked to clearly indicate any parts of a response that are to be treated confidentially.

## 10 Attachments

- Attachment 1 – DCP 414 Consultation 3 Response Form
- Attachment 2 – DCP 414 Change Proposal Form
- Attachment 3 – DCP 414 Consolidated Consultation 1 Responses
- Attachment 4 – DCP 414 Consolidated Consultation 2 Responses
- Attachment 5 - DCP 414 Solution A Default MIC.
- Attachment 6 - DCP 414 Solution B Aggregated Tariff.
- Attachment 7- DCP 414 Solution B Schedule 17/18