




DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 437:</h1> <h2>To Shorten the DUoS Pricing Notice Periods</h2> <p><b>Date Raised:</b> 13/02/2024</p> <p><b>Proposer Name:</b> Dave Wornell</p> <p><b>Company Name:</b> National Grid Electricity Distribution</p> <p><b>Party Category:</b> DNO</p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
<p><b>Purpose of Change Proposal:</b></p> <p>This change proposal aims to shorten the DUoS Pricing Notice Periods so there is longer period between the publication of the PCFM where OFGEM have the option to make changes to our allowed revenue at short notice and the setting of the prices.</p>		
	<p><b>Governance:</b></p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> <li>• Treated as a [Part 1] Matter</li> <li>• Treated as a [Standard] Change</li> <li>• Progressed to the [Working Group] phase</li> </ul> <p>The Panel will consider the proposer's recommendation and determine the appropriate route.</p>	
	<p><b>Impacted Parties:</b></p> <p>Suppliers/ DNOs/ IDNOs</p>	
	<p><b>Impacted Clauses:</b></p> <p>Section 2A</p>	

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			email address.
			
			telephone

## Indicative Timeline

The Secretariat recommends the following timetable:

Initial Assessment Report	21 February 2024
Consultation Issued to Industry Participants	TBC
Change Report Approved by Panel	17 July 2024
Change Report issued for Voting	18 July 2024
Party Voting Closes	08 August 2024
Change Declaration Issued to Parties	12 August 2024
Change Declaration Issued to Authority	14 August 2024
Authority Decision	TBC

## 1 Summary

### What?

- 1.1. This change proposal aims to shorten the DUoS Pricing Notice Periods so there is a longer period between the publication of the PCFM where OFGEM have the option to make changes to our allowed revenue at short notice and the setting of the prices.

### Why?

- 1.2. Final DUoS Charges are set with a deadline of 31st December for the prices for implementation in April fifteen months later. New license conditions introduced for ED2 mean that the DNO receives the PCFM which determines the allowed revenue and the rate of return for the EDCM and CDCM prices at the end of November. The DNO then has to check this PCFM and return to it to Ofgem who then have 14 days to decide if they would like to make further changes. If Ofgem do decide to make changes (which nearly happened for April 25 when they expressed a wish for the SOLR final decision to be reflected in final charges), DNOs will have very little time to apply the changes and the tariff assurance process could be compromised. Delaying the publishing of DUoS charges will allow DNOs more time to apply their assurance processes.

### How?

- 1.3. Change the wording in DCUSA in section 2A 19.1.1 B to read 12 months.

## 2 Governance

### Justification for Part 1 and Part 2 Matter

- 2.1 This is a part 1 matter as it affects prices.

### 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.

- 2.3 This change can be applied at the next issue of DCUSA following approval.

### 3 Why Change?

- 3.1 Final DUoS Charges are set with a deadline of 31<sup>st</sup> December for the prices for implementation in April fifteen months later. New license conditions introduced for ED2 mean that the DNO receives the PCFM which determines the allowed revenue and the rate of return for the EDCM and CDCM prices at the end of November. The DNO then has to check this PCFM and return to it to OFGEM who then have 14 days to decide if they would like to make further changes. If OFGEM do decide to make changes (which nearly happened for April 25 when they expressed a wish for the SOLR final decision to be reflected in final charges), DNOs will have very little time to apply the changes and the tariff assurance process could be compromised. Delaying the publishing of DUoS charges will allow DNOs more time to apply their assurance processes.

### 4 Solution and Legal Text

#### Legal Text

- 4.1 It is proposed that the following legal text is amended:

Section 2A

#### Use of System Charges

- 19.1A The Company may vary the Use of System Charges at any time by giving the requisite period of written notice to the User. The requisite period of notice is (subject to Clause 19.1B):

19.1.1 where the Company is a DNO Party acting within that DNO Party's Distribution Services Area:

(A) in the case of the charges to apply from 1 April 2016 only, 3 months; or

(B) in the case of the charges to apply on or after 1 April 2017, ~~45~~ **12** months;

19.1.2 where the Company is an IDNO Party or a DNO Party acting outside of that DNO Party's Distribution Services Area:

(A) in the case of the charges to apply from 1 April 2016 only, 2 months; or

(B) in the case of the charges to apply on or after 1 April 2017, ~~44~~ **11** months.

### 5 Code Specific Matters

- 5.1 N/A

## 6 Relevant Objectives

	<b>DCUSA General Objectives</b> Please tick the relevant boxes. <a href="#">(See Guidance Note 9)</a>	<b>Identified impact</b>
<input checked="" type="checkbox"/>	1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	Positive
<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 checked="" type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	Positive
<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

	<b>DCUSA Charging Objectives</b> (please tick the relevant boxes. <a href="#">[See Guidance Note 10]</a> )	<b>Identified impact</b>
<input checked="" 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	Positive
<input 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)	None
<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	Positive
<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



6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.

Positive

- 6.1 New license conditions introduced for ED2 mean that the DNO receives the PCFM which determines the allowed revenue and the rate of return for the EDCM and CDCM prices at the end of November. The DNO then has to check this PCFM and return to it to Ofgem who then have 14 days to decide if they would like to make further changes. If Ofgem do decide to make changes, DNOs will have very little time to apply the changes and the tariff assurance process could be compromised. Delaying the publishing of DUoS charges will allow DNOs more time to apply their assurance processes.

## 7 Impacts & Other Considerations

- 7.1 No other impacts.

**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.....	<input type="checkbox"/>	MRA.....	<input type="checkbox"/>
CUSC.....	<input type="checkbox"/>	SEC.....	<input type="checkbox"/>
Grid Code.....	<input type="checkbox"/>	REC.....	<input type="checkbox"/>
Distribution Code..	<input type="checkbox"/>	None.....	<input checked="" type="checkbox"/>

### Consideration of Wider Industry Impacts

- 7.3 N/A

### Confidentiality

- 7.4 No

## 8 Implementation

### Proposed Implementation Date

- 8.1 Next issue of DCUSA following approval.

## 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.*