

## DCUSA DCP 437 Change Declaration

Voting end date: 9 October 2024

DCP 437	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER
CHANGE SOLUTION	Accept	Accept	Reject	No votes received	n/a
IMPLEMENTATION DATE	Accept	Accept	Reject	No votes received	n/a
RECOMMENDATION	<p><b>Change Solution – Accept.</b></p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was more than 50% in all Categories.</p> <p><b>Implementation Date – Accept.</b></p> <p>In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was more than 50% in all Categories.</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
<b>DNO PARTIES</b>				
<b>Northern Powergrid (Northeast) plc</b>	<b>Accept</b>	<b>Accept</b>	We agree with the Working Group that DCUSA Charging Objectives 1, 3 4 and 6 are better facilitated by this change as it allows DNOs an extra month to calculate tariffs and ensure accuracy following the changes to the timeline for charges brought in due to the revisions to licence conditions for RIIO-ED2.	The timescales for DNOs to calculate and publish tariffs have been significantly shortened by the introduction of new obligations under RIIO-ED2 relating to the submission of the PCFM. If Ofgem require changes to the PCFM then DNOs have very little time in which to turn around updated charges and publish by 31 December. Even if Ofgem do not require any changes to the PCFM following the initial submission of the document in early December, DNOs still have to wait for confirmation of this before they are able to sign off their allowed revenues and final tariff calculations. This means that sign offs that could previously occur in November or early December are now not possible until mid-December at the earliest meaning that the timescales for producing final documents has reduced significantly regardless of whether a change in the PCFM is required, meaning there is less time for assurance processes to be performed in full and more risk that an error will be missed before publication of the tariffs.
<b>Northern Powergrid (Yorkshire) plc</b>	<b>Accept</b>	<b>Accept</b>		
<b>Eastern Power Networks Plc</b>	<b>Accept</b>	<b>Accept</b>	We believe that DCUSA Charging Objectives 1, 3, 4 and 6 are better facilitated by this change proposal following, revisions to licence conditions for RIIO-ED2. The revisions have resulted in the timescales for DNOs assuring, signing off and publishing tariffs are significantly shortened compared to prior price control periods. Allowing an additional month before the publication of DUoS charges will allow DNOs more time to apply their assurance processes to ensure accuracy of their publications.	We believe that this is an important change to ensure that DNOs are allowed the necessary time to accurately verify their charges and publish in a manage and controlled way, rather than having a matter of days to publish under the current arrangements following the changes to the licence for ED2. It is also important that a decision on this change is known as soon as possible so that the time DNOs have available, can be correctly managed and not needing to be subject to a replan late in the process.
<b>London Power Networks Plc</b>	<b>Accept</b>	<b>Accept</b>		
<b>South Eastern Power Networks</b>	<b>Accept</b>	<b>Accept</b>		
<b>National Grid Electricity Distribution South West</b>	<b>Accept</b>	<b>Accept</b>	There is a positive impact on charging objectives 1, 3, 4 and 6. NGED agree with the working group that due to revisions to licence conditions for RIIO-ED2 mean that the timescales for DNOs assuring, signing off and publishing tariffs are significantly shortened compared	The analysis shown in the change report demonstrates that the impact on suppliers is minimal but will have a massive benefit to DNOs assurance process.

<b>National Grid Electricity Distribution South Wales</b>	<b>Accept</b>	<b>Accept</b>	to prior price control periods. Delaying the publication of DUoS charges will allow DNOs more time to apply their assurance processes.	
<b>National Grid Electricity Distribution East Midlands</b>	<b>Accept</b>	<b>Accept</b>		
<b>National Grid Electricity Distribution West Midlands</b>	<b>Accept</b>	<b>Accept</b>		
<b>Southern Electric Power Distribution plc</b>	<b>Accept</b>	<b>Accept</b>	We agree with the working group that Charging Objectives 1, 3, 4 and 6 are better facilitated by this change as more time would be available to assure the data prior to publication.	
<b>Scottish Hydro Electric Power Distribution plc</b>	<b>Accept</b>	<b>Accept</b>		

<b>IDNO PARTIES</b>				
<b>INDEPENDENT DISTRIBUTION CONNECTION SPECIALISTS LIMITED</b>	<b>Accept</b>	<b>Accept</b>	We agree with the working group that Charging Objectives 1, 3, 4 and 6 are better facilitated.	N/A
<b>INDIGO POWER LIMITED</b>	<b>Accept</b>	<b>Accept</b>	1,3,4,6	N/A
<b>The Electricity Network Company Limited</b>	<b>Accept</b>	<b>Accept</b>	General Objective 1: Change contributes to efficient, coordinated and economic distribution networks by allowing more time to make potential changes to PCFM. General Objective 3: Discharge required by licences will be more efficient as there will be more time to implement potential changes to the PCFM. Ensures Tariff assurance process is less likely to be compromised.	The ENC supports this Change Proposal.

			<p>Charging Objective 1: The obligations of the licence conditions are more efficiently discharged, due to more time allowing for changes to be made, should Ofgem decide to make any further changes to the PCFM.</p> <p>Charging Objective 3: More likely to be accurate and therefore truly reflect the cost incurred since a shorter advance notice period of the following year's tariffs will provide more predictability.</p> <p>Charging Objective 4: More accurately reflect developments in each DNO party distribution business.</p> <p>Charging objective 6: Efficiency in both implementation and administration of compliance with the charging methodologies is promoted, due to more time being allocated to the process of producing the following year's DUoS tariffs as well as implementing any further proposed changes by Ofgem to the PCFM, in a less time pressuring manner.</p>	
<b>Leep Electricity Networks Ltd</b>	<b>Accept</b>	<b>Accept</b>	1, 3, 4 and 6	No real objections, it is easier as it is however see no major concerns in meeting the reduced timescales

#### SUPPLIER PARTIES

<b>Yu Energy Retail Ltd</b>	<b>Reject</b>	<b>Accept</b>	We believe this to be negative against objective 2 as customers will be faced with an increase in risk premia to address the uncertainty. We would have liked to see an alternative as suggested by Suppliers where existing timescales were maintained with an extension only being triggered when required.	
<b>EDF ENERGY CUSTOMERS LIMITED</b>	<b>Reject</b>	<b>Reject</b>	In our view this is worse against Charging Objective 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) as it would harm competition in the generation and supply of electricity.	We understand the reason for the requested change but consider that DNO obligations agreed as part of the RIIO price control process should not result in an amendment to DNO obligations at the expense of consumers or suppliers. The notice period of 15 months for DNOs (and 14 months for IDNOs and out of area DNOs), have benefited consumers by suppliers' ability to have certainty of DUoS tariffs over a period that allows fixed pricing for up to 27 months without the need to add risk premia which would increase the cost to consumers. We do not support this CP but if Ofgem

				do approve it then we would want as long a lead time for implementation as possible and consider that this should be at least 2 full charging years after their decision.
<b>British Gas</b>	<b>Reject</b>	<b>Reject</b>	We believe this will have a negative impact to DCUSA charging objective 2. Shortening the notice periods for DUoS charges reduces the period of certainty for DUoS charges for pricing customers. Suppliers may add in additional risk premia to account for the decreased level of certainty which would lead to increases to customer bills and therefore reduced competition.	N/A
<b>Npower Commercial Gas Ltd</b>	<b>Accept</b>	<b>Accept</b>	We agree that DCUSA charging objectives 1,3,4 & 6 are better facilitated for the reasons given in the change report.	<p>Whilst we accept the solution on the basis there is a clear potential for a situation to arise that would give cause to risk a 15/14 month tariff notice to be met by DNO/IDNO parties, we remain of the opinion that this situation should really be managed by exception because of enhanced risk on longer term (2 year+) fixed contracts being based on forecast, as captured in the change report.</p> <p>We acknowledge the working groups consideration against our consultation feedback and accept elements of the recommendation add complexity to the proposed simple solution however that additional complexity would have acted in the end consumers interest if facilitated/taken forward, delivering a more optimal solution to consumer benefit vs the final solution proposed.</p>
<b>SSE Energy Supply Ltd (SSE Business Energy)</b>	<b>Reject</b>	<b>Reject</b>	DCUSA Charging Objectives 1, 3, 4 and 6 as detailed within the change report	We do not agree that a reduction in the notice period should be made in years where there are no changes made to the PCFM by Ofgem.
<b>Ecotricity</b>	<b>Reject</b>	<b>Reject</b>	This change will not better facilitate the DCUSA objectives	A shortened notice period will mean suppliers need to increase risk premia when writing long duration contracts during the January period. This will ultimately result in higher prices for customers who

				want to sign a long term contract greater than 12 months.
CVA REGISTRANT PARTIES				
No votes received				
GAS SUPPLIER PARTIES				
Not Eligible				