




| DCUSA Consultation  |  | At what stage is this document in the process? |
|---|--|--|
| <h2>DCP 325:</h2> <h3>Reviewing the requirements of Sections 35A ('Provision of Cost Information'), 35B ('Production of the Annual Review Pack'), Schedule 15 ('Cost Information Table') and Schedule 20 ('Production of the Annual Review Pack')</h3> <p><b>Date Raised:</b> 11/07/2018</p> <p><b>Proposer Name:</b> Kara Burke</p> <p><b>Company Name:</b> Northern Powergrid</p> <p><b>Party Category:</b> DNO</p> |  | 01 – Change Proposal                           |
|   |  | 02 – Consultation                              |
|   |  | 03 – Change Report                             |
|   |  | 04 – Change Declaration                        |
| <h4>Purpose of Change Proposal</h4> <p>The intent of this change is to combine, review, and if appropriate amend the requirements of Section 35A, Section 35B, Schedule 15 and Schedule 20 to improve transparency and efficiency in the data published by DNOs.</p>  |  |  |
|    | <p>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 325.</p> <p>The Working Group recommends that this Change Proposal should proceed to Consultation.</p> <p>Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 3 to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> by Friday 08 November 2024.</p> |  |
|   |  <h4>Impacted Parties</h4> <p>All</p>   |  |
|   |  <h4>Impacted Clauses</h4> <p>Clauses 35A and 35B and Schedules 15 and 20</p>   |  |

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Any questions?

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Timetable

Activity

Date

Initial Assessment Report

18 July 2018

Consultation 1 Issued to Industry Participants

08 October 2018

Request for Information Issued to Industry Participants

23 September 2024

Consultation 2 Issued to Industry Participants

08 November 2024

Change Report Approved by Panel

19 February 2025

Change Report issued for Voting

20 February 2025

Party Voting Closes

13 March 2025

Change Declaration Issued to Parties

14 March 2025

## 1 Summary

### What?

- 1.1 Clause 35A (supported by Schedule 15) requires each DNO Party to publish cost information on a quarterly basis. This consists of:
  - a forecast of its revenue allowances for the current regulatory year and the following four regulatory years ('table 1');
  - an indication of the likely range within which given allowances could vary ('table 2'); and
  - illustrative Common Distribution Charging Methodology (CDCM) tariffs.
- 1.2 Clause 35B (supported by Schedule 20) requires each DNO Party to publish an 'annual review pack' (ARP) at the time of setting charges in December each year. This consists of:
  - historical CDCM input information for the previous three years;
  - forecast CDCM input information for the next five years;
  - illustrative tariffs for the next five years based on the forecast inputs provided;
  - functionality to enable a user to amend any of the forecast inputs and recalculate illustrative tariffs; and
  - details of the values calculated for each year where CDCM inputs have been calculated based on a three-year average, most notably the load characteristics and peaking probabilities.
- 1.3 This change seeks to:
  1. combine the main requirements of Clause 35A and 35B alongside the two accompanying schedules;
  2. review the requirements to determine whether the information provided is useful to stakeholders, whether it is presented in a useful format, and whether some duplication could be removed; and
  3. if appropriate following this consultation, amend the requirements to enable DNOs to provide stakeholders with better quality information whilst reducing duplication.

### Why?

- 1.4 There is significant crossover between the requirements of Clause 35A and Clause 35B, without sufficient alignment to enable use of a common template. This results in some cases of the same or similar information being published in a different format in the two publications, which is inefficient to produce and risks being misleading for users.
- 1.5 Feedback from some industry parties suggested that they may not use the functionality to amend forecast CDCM inputs and recalculate tariffs in the ARP. This may be due to the requirement on distributors to give 15 months' notice of a change to Use of System charges. The ARP was developed at a time when distributors were only required to give three months' notice of a change

to Use of System charges. The sensitivity of tariffs to changes in CDCM inputs is primarily of interest for charges which have not yet been published which are now much further into the future than when the ARP was originally put in place. The functionality to recalculate tariffs adds significant complexity into the ARP, and as a result reduces the transparency and usability of the information provided.

- 1.6 It should be straightforward for DNOs to provide more useful information in a more succinct manner – thus improving both the efficiency of provision and usefulness of the output.
- 1.7 Clause 35A also requires DNOs to convene a meeting to present the most recently submitted information. This meeting could be more efficiently arranged and conducted if responsibility for it lay with the Secretariat rather than DNOs, in line with the arrangements introduced for the Distribution Charging Methodologies Development Group (DCMDG), which replaced the Distribution Charging Methodologies Forum (DCMF).

## How?

- 1.8 The requirements of Clause 35A and Clause 35B should be combined, reviewed and, if appropriate, amended, alongside combining the details given in Schedule 15 and Schedule 20 into a single publication. A 'first draft' of a proposed template for submission was provided as an attachment (Attachment 4 proposed template) to the Change Proposal (CP) form. This template sought to standardise the years for which data is provided, and to link the years required more closely to the Price Control Periods, so would require publication of data from the start of the Price Control Period which was in place two years prior to the current year up to the latter of four forecast years or the end of the current Price Control Period. The proposer provided this template as a starting point for discussions and in doing so did not intend to restrict the ability of the Working Group to review and, if appropriate, amend the requirements of the combined sections in full. The Proposer set out their view that a Working Group should ensure, by consultation with industry, that removal of any information or functionality which the solution seeks to remove is not detrimental to stakeholders.
- 1.9 The publication timetable should also be considered – a simple amalgamation of the publication requirements of Clause 35A and Clause 35B would result in five publications of the same template each year (quarterly in February, May, August and November as per Clause 35A, and annually with the publication of final charges by December 31<sup>st</sup> as per Clause 35B); however this could be given further consideration to ensure the timing of publications is appropriate.
- 1.10 It is also the view of the Proposer that a Working Group should consider whether the provision of a model template (as is currently the case in Schedule 20) would be appropriate once the two sections have been combined.
- 1.11 Finally, the Proposer suggested that a current requirement on DNOs in Clause 35A to convene a meeting (known as the 'DCP 066A Teleconference') could be amended to require that the

Secretariat convenes such a meeting, at which all DNOs will be required to present their latest forecast information, and to which all supplier and IDNO Parties will be invited.

- 1.12 This CP will no longer consider changes to the contents of tables 1, 2 or 3 of clause 35A as these were covered by DCP 421 'Update the Tables in Schedule 15 of DCUSA'<sup>1</sup>.

## 2 Governance

### Justification for Part 2 Matter

- 2.1 This change has no impact on Use of System charges calculated, and only on the supplementary information published. Whilst the change may result in less information being directly published (e.g. if the functionality to recalculate charges based on forecast input data were removed), the same level of information would be published to enable users to calculate this information, simply using the data in the published CDCM model. Hence the change is not expected to have an impact on competition and does not impact any of the other areas listed in clause 9.4, so is considered to be a Part 2 matter.

### Requested Next Steps

- 2.2 Following a review of the Consultation responses, the Working Group will work to agree the detail of the solution for DCP 325.

## 3 Why Change?

### Background

- 3.1 There is significant crossover between the requirements of Clause 35A and Clause 35B, without sufficient alignment to enable use of a common template. This results in some cases of the same or similar information being published in a different format in the two publications, which is inefficient to produce and risks being misleading for users.
- 3.2 For example, both Clause 35A and Clause 35B effectively require a completed 'table 1' to be published (explicitly for Clause 35A, and because it is a CDCM input and so required for Clause 35B). The implications of the requirement to give 15 months' notice of a change to Use of System charges (introduced by DCP 178 – 'Notification Period for Change to Use of System Charges'<sup>1</sup>) has created an inconsistency in the years provided (Clause 35A requires four forecast years from the current regulatory year, whilst Clause 35B requires CDCM input information for the next five

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<sup>1</sup> [Update the Tables in Schedule 15 of DCUSA - DCUSA](#)

years at the time of publication – these were aligned prior to DCP 178, but now result in Clause 35B requiring an extra year forecast to Clause 35A).

- 3.3 Both Clause 35A and Clause 35B require a view of illustrative charges for the forecast years, but this is currently provided in a different format in the two templates. It would be more efficient, both for the DNOs when populating the information and users when receiving it, if both datasets were in a consistent format.
- 3.4 The ARP currently requires DNOs to populate a forecast of all CDCM inputs for the next five years. In the most recent published versions, the vast majority of these inputs have been held at the latest published values. Cost inputs have generally been uplifted by inflation in the forecast inputs, with the only inputs actually updated being the number of days in the year and the number of hours in each time band. The forecast inputs add complexity to the ARP, but as long as they are simply held at the published levels, they add little value.
- 3.5 Feedback from some industry parties during the process of developing the new DCUSA models suggests that parties may not use the functionality to amend forecast CDCM inputs and recalculate tariffs in the ARP. Again, this may be due to the requirement on distributors to give 15 months' notice of a change to Use of System charges. The ARP was developed at a time when distributors were only required to give three months' notice of a change to Use of System charges. The sensitivity of tariffs to changes in CDCM inputs is primarily of interest for charges which have not yet been published which are now much further into the future than when the ARP was put in place. This functionality adds significant complexity into the ARP, and as a result reduces the transparency and usability of the information provided. In any case, a user wishing to test the sensitivity of a given input can do so using the published CDCM model. Consideration should be given to removing the requirement to provide the functionality to recalculate tariffs for the forecast period, and perhaps to require the publication of an illustrative updated CDCM model for the first forecast year in its place.
- 3.6 Clause 35A also requires DNOs to convene a meeting (known as the 'DCP 066A Teleconference') to present the most recently submitted information. This meeting could be more efficiently arranged and conducted if responsibility for it lay with the Secretariat rather than DNOs, in line with the arrangements introduced for the DCMDG.

**Question 1 – Do you understand the intent of the CP?**

**Question 2 – Are you supportive of the principle of the CP?**

## **4 Working Group Assessment**

### **DCP325 Working Group Assessment**

- 4.1 The DCUSA Panel established a Working Group to assess DCP 325. This Working Group consists of DNO, IDNO and Supplier representatives. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website [www.dcusa.co.uk](http://www.dcusa.co.uk).
- 4.2 The Working Group issued a consultation in October 2018 to gather views on this Change Proposal, however following this the Change Proposal was put on hold due to Ofgem's Targeted Charging Review (TCR) and subsequent Change Proposals relating to the TCR which took up a lot of industry resources. Due to the time elapsed since the original consultation responses were received the Working Group felt that the responses may be outdated. Additionally, a new Change Proposal, DCP 421 '[Update the Tables in Schedule 15 of DCUSA - DCUSA](#)' was raised, and has now been approved, to make changes to table 1 and 2 of clause 35A and to keep table 3 unchanged, and to create a template for use by DNOs when updating and publishing the tables. The Working Group agreed that the contents of the tables is now out of scope of this Change Proposal as all changes to this were covered by DCP 421.
- 4.3 The Working Group decided that the most appropriate action to progress this change would be to re-consult on each of the aspects of this CP i.e. ARP publications, combining the requirements of Schedule 15 and Schedule 20, publication timetables and the meeting required to be convened by DNO parties under Clause 35A (often referred to as the 'DCP66A' teleconference which takes place quarterly). This will ensure that the responses are each Company's most recent view and that the Working Group is not using out of date responses to develop a solution.

### Request for Information

- 4.4 Before considering a solution, the Working Group issued a Request for Information, to find out if the ARP is used, if the content of the ARP is useful and if parties would find it beneficial to combine the requirements of the ARP and Cost Information Tables.
- 4.5 It was agreed that the responses to the RFI would be treated as anonymous as the Working Group believed this could encourage more respondents to come forward, The Working Group did agree that the party categories for each respondent would be captured though, as it may be helpful to understand if there were certain party categories who found certain elements of schedules 15, 16 and clauses 35 A and 35B useful.
- 4.6 The RFI was issued to parties on 24 September 2024. There were eight responses received to the RFI. Of these eight responses, four were from DNO parties, two were from IDNO parties and two were from supplier parties.
- 4.7 The Working Group's Conclusions can be found in Attachment 6, with a summary of each shown below.

#### RFI Question 1 – Do you use the ARP? If so, for what purpose?

- 4.8 All four DNO parties who responded stated that they populated the ARP but they don't use it for any further purpose.
- 4.9 The two IDNO parties that responded stated that they find the ARP useful for information in order to better understand future forecasts.
- 4.10 The two supplier parties who responded both said that they find the ARP useful for the below reasons;
- To get a view of the forecast volumes.
  - To get a view of customer numbers.
  - To get a view of modelling inputs that underpin these forecasts.
  - To impact assess industry modification changes and other scenarios.
  - To comparing to current/previous years.
  - For getting a view of forecast rate changes year-on-year.

**RFI Question 2 – Are there any elements of the ARP that you find useful or not useful? For elements that are not useful, is there a reason to retain them?**

- 4.11 One DNO respondent stated that they were of the view that we are duplicating information across the ARP and Schedule 15 and that Schedule 15 already provides a detailed view of the revenue calculation and a set of tariffs for the year after the latest published year.
- 4.12 They went on to state that the latest CDCM models are also available and would allow anyone to enter any future year's revenue (from the Schedule 15) to understand the expected impact



upon charges. The responder proposed that the requirement to produce the ARP is removed, as the data contained within it is already available via alternative means.

- 4.13 More context from this responder can be found under the response from DNO 2 to this question in **Attachment 6 – DCP 325 RFI Collated responses**.
- 4.14 One DNO party stated they use the ARP once a year for their clearviewcharge report which they publish on their website.
- 4.15 Another DNO Party stated they believed this question to be more relevant to Suppliers and another offered no view.
- 4.16 One IDNO responder advised that whilst they do not populate the ARP, they do mirror the DNO outputs and therefore, the Outputs such as the forecasts from the ARP are useful to better understand the tariffs.
- 4.17 The other IDNO responder offer no view.
- 4.18 Of the two suppliers who responded one stated that they use other data from the ARPs, for instance the amount of the residual revenue, and the volumes and numbers of meters associated with customer type. They also use the data for other ad-hoc analysis.
- 4.19 They went on to state that they would want to maintain access to this kind of data and have it available at the time of publication of final rates.
- 4.20 The other supplier who responded stated that they find all elements of the ARP useful.

**RFI Question 3 –Would it be beneficial to combine the ARP and the Cost Information Tables? Please provide your rationale.**

- 4.21 A DNO responder stated that they believe combining the ARP and Cost Information requirements would remove duplication of information and could make it easier for users of the Cost Information tables and ARP to access and use the information.
- 4.22 Another responder advised that they believe there is currently significant duplication of data across the two requirements, and they believe that the Schedule 15 has been sufficiently developed that it could now act as the single repository to allow parties to calculate their view of future charges.
- 4.23 The third DNO who responded believed that there is a benefit in combining this information only if it resulted in a reduction in the level of effort required in administration and a reduction in the

number of times the combined ARP/Cost Information tables requires to be updated/published annually.

- 4.24 They went on to state that the Cost Information tables are published four times per annum and they believed this could be reduced to two with no less data/information available to stakeholders.
- 4.25 They finished this response by advising they believe any merging of the ARP and cost information tables must also include a proposal to amend the current publication timelines to maximise effectiveness.
- 4.26 The final DNO who responded said that as a DNO, they wouldn't see a benefit of this.
- 4.27 IDNO respondent 1 stated that currently there is significant crossover between the requirements (clause 35A and Clause 35B of schedules 15 and 20 respectively) and that this results in similar information being published twice, which is inefficient and can be misleading.
- 4.28 They went on to state that the changes will improve the transparency and usability of the ARP and finished their response by advising that it would be beneficial to combine the ARP and Cost information tables.
- 4.29 The second IDNO who responded replied by stating 'Yes, to insure more efficient regulation.'
- 4.30 in terms of the two supplier respondents, one advised that they think that combining the ARP and Cost Information tables should not have an impact if all of the information is still available but did also state that they find a lot of the data in the ARPs very useful and that they would like to maintain access to this data.
- 4.31 The other supplier respondent stated "Yes, combining the two makes the information more accessible and user friendly for all suppliers, and would be an improvement that meets the intention of the original proposals."

#### RFI Question 4 –Do you have any other comments?

- 4.32 Two DNO parties had no further comment.
- 4.33 An IDNO responded by stating they support the proposed approach to combine the contents of the ARP and the Cost Information Tables.
- 4.34 The other IDNO responder provided no further comment.
- 4.35 Of the two supplier respondents one stated that frequency and timing of when the data is published is important for them. Ideally, they would like to have the data being published at or around the same time as when the final rates are published.
- 4.36 The other supplier responder advised that he ARP was introduced (under DCP086) to enable Suppliers to improve the accuracy of their forecasts and assessments and therefore reduce the risk of exposure to unexpected changes and provide a greater insight into the potential range of future charges, both within the current and future price controls. It was believed that this would

facilitate competition between Suppliers as it will enable them to compete more effectively due to the additional data provision.

- 4.37 There were no other points raised in the responses to question 4 that hadn't already been raised within the responses to earlier questions in this RFI.
- 4.38 As a result of the RFI responses the Working Group concluded that it would be suitable for the requirements under Clause 35A and Clause 35B to be combined.

### Working Group Solution

4.39 The Working Group considered the following elements of Schedule 15 and Schedule 20:

- Alignment and Combination of Schedule 15 and Schedule 20
- Publication timetable
- Meetings ('DCP 066A Teleconference')

### Alignment and Combination of Schedule 15 and Schedule 20

- 4.40 There is significant overlap between the requirements under Clause 35A and 35B, as both require a forecast of allowed revenue and both require illustrative CDCM tariffs, although there is a discrepancy around which years are required to be provided.
- 4.41 At present Clause 35A requires a forecast for the current regulatory year and the following four regulatory years, whilst Clause 35B requires historical CDCM input information for the previous three years and forecast CDCM input information for the next five years.
- 4.42 With regards to the crossover in requirements under 35A and 35B, the Working Group has proposed two solutions:

### Option A – Combined Template for ARP and Cost Information Tables

- 4.43 The Working Group produced a proposed template to combine the Cost Information template, as developed for DCP 421, and the ARP. This template adds the sheets from the Cost Information template into the ARP, with the exception of:
- 'Table 1 – CDCM Inputs table' which is replaced by the Allowed Revenue section in the 'General Inputs' sheet of the ARP, which is in turn linked to the 'Table 1 – Detailed Input' sheet; and
  - Table 3, which is replaced by the Tariff output sheet.
- 4.44 The Working Group believe this template would add functionality and increase the transparency of the Cost Information forecast, especially with regards to the calculation of the tariffs in Table 3. It would allow Suppliers to calculate sensitivities around any inputs to the CDCM and to see several years at once. It would also make it easier for DNOs to populate the ARP for allowed revenues as it would be a direct link to the PCFM.

### Option B – Remove the requirement to publish the ARP and instead publish the Cost

## Information Tables and a populated CDCM model

- 4.45 An alternative solution proposed within the Working Group is to remove the requirement to publish the ARP and to instead replace it with the Cost Information Tables and a populated CDCM. It was identified that the majority of the CDCM inputs for future years in the ARP are set to the same value as the latest published year and as such the latest CDCM will also contain these same values.
- 4.46 If this solution was adopted then any supplementary information from the ARP which is not available in the CDCM or Cost Information Tables at present could be added into the Cost Information Template to ensure users still have access to all required information.
- 4.47 The Working Group is seeking views on whether parties prefer Option A or Option B and whether any supplementary information is required for either option.

**Question3a – Do you prefer Option A or Option B for the combination of requirements of Schedule 15 (the Cost Information Template) and Schedule 20 (ARP)? Please provide your rationale.**

**Question 3b - For option A - If the tables are to be combined, does the provided template achieve this? Is there an alternative way of combining the two templates? Are any other changes to the template required? Please provide your rationale.**

**Question 3c – For option B – Which additional items from the ARP would need to be added to the Cost Information Template to ensure all required information is still available in the Cost Information Table and populated CDCM.**

**Question 3d - Is there an alternative solution that the Working Group hasn't considered? Please provide details if yes.**

- 4.48 It was also noted that the years included in the ARP and Cost Information Templates are not aligned.
- Schedule 15 - the current regulatory year and the following four regulatory years
  - Schedule 20 - historical CDCM input information for the previous three years and forecast CDCM input information for the next five years.
- 4.49 The Working Group proposes to align these both to the requirement under Schedule 15, i.e. the current regulatory year and the following four regulatory years.
- 4.50 The Working Group are seeking views on the years included in the template.

**Question 4 – Should the years in the combined requirements be aligned to those currently in Schedule 15? Please provide your rationale.**

- 4.51 DCP 421 gave consideration to how forecast revenues should be set for years in any future price control period and included this in their consultation. The DCP 421 Working Group concluded that future years should be calculated on the same basis as the latest known price control period,

with a caveat stating that the allowed revenue in years beyond the current price control period were subject to change once the licence conditions are known.

- 4.52 The Working Group believe this may provide the same level of detail as the ARP, but would be less arduous for DNOs than populating the ARP.
- 4.53 The Working Group is seeking views on whether parties agree that this conclusion from DCP 421 is still valid or whether parties now hold a different view on the way that forecasts should be calculated for years outside of the current price control period.

**Question 5 – Is the conclusion from DCP 421 for the calculation of forecast revenues in future price control periods still valid? (i.e. future years should be calculated on the same basis as the latest known price control period, with a caveat stating that it is subject to change once the licence conditions are known.**

### Publication Timetable

- 4.54 By the fifth Working Day of May, August, November and February in each year, each DNO is obliged to complete a copy of the Cost Information Tables contained within Schedule 15.
- 4.55 At present the submission in February could be seen as too long after charges are set for DNOs to be able to provide any information to Suppliers that they have not already requested in the intervening time. The May and August submissions typically have very little updated in them. And the November submission is before the final allowed revenues are known so is not.
- 4.56 The working group considered whether the obligation could be reduced to three publications a year, instead of four, proposed to be the final working day in:
- December, alongside publication of tariffs (this would be January if DCP 437 is approved)
  - April, moving to a new set of reg years
  - September, following submission of the first dry run of the PCFM at the end of August, and aligned to the allowed revenues in this submission

The working group believe these dates would allow more meaningful information to be provided in these submissions as they will be produced when additional information is available. The legal text could be prescriptive to say that certain information must be included, i.e. the PCFM information in September.

- 4.57 The working group are seeking views on whether the current quarterly publications are all of use or whether this could be reduced to three publications a year in e.g. December, April and September, and whether the legal text should be prescriptive to ensure the most up to date information from the PCFM is included.

**Question 6 – Would a change to the current publication timetable be beneficial? If so would publications in April, September and the month of publication of final tariffs be appropriate? Is there another publication timetable that would be more appropriate? Please provide rationale.**

**Question 7 – Would it be beneficial to prescribe in the legal text that the allowed revenue information from the latest submission of the PCFM must be used?**

## Meetings ('DCP 066A Teleconference')

- 4.58 Within clause 35A.7 of DCUSA, it is stated that DNO Parties should convene a meeting within 20 Working Days of each quarterly publication, to which all IDNO and Supplier Parties are invited, for the DNOs to provide understanding of the data presented within the published Cost Information Tables, including an explanation of the reasons behind any changes made to estimates since the last tables were prepared. These calls are currently held via the Energy Networks Association on behalf of the DNOs and are often referred to as the 'DCP 066A Teleconference'.
- 4.59 The Proposer of the CP believes that the meeting could be more efficiently arranged and conducted if responsibility for it lay with the DCUSA Secretariat rather than the DNOs.
- 4.60 At present the date for the meetings is decided based on the availability of the representatives from the DNOs. The working group are seeking views on whether it would be beneficial to the wider industry to have the meetings on a set day within the month. This may allow more representatives to attend as they would know further in advance when the meetings were going to be.
- 4.61 The working group discussed that there are often not many questions raised in the meetings. They are seeking views on whether industry representatives would welcome the opportunity to submit questions in advance or using an online tool such as Slido.

**Question 8 – Do you find the meetings convened under clause 35A (known as the 'DCP 066A teleconference') useful?**

**Question 9 - Are there any improvements that should be made, such as submitting questions in advance or use of an online tool such as slido? and**

**Question 10- Who should be responsible for hosting them – the ENA, the DCUSA secretariat or someone else?**

**Question 11 - Should the meetings be held on a fixed day? Please provide your rationale.**

## 5 Relevant Objectives

### Assessment Against the DCUSA Objectives

- 5.1 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.
- 5.2 The Proposer considers that the following DCUSA General Objectives are better facilitated by this CP:

|                          | 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 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 checked="" type="checkbox"/> | 4. The promotion of efficiency in the implementation and administration of the DCUSA   | Positive |
| <input type="checkbox"/>            | 5. Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators              | None     |

5.3 When this CP was raised, the Proposer highlighted which of the DCUSA Charging Objectives they believed would be better facilitated by the implementation of the change. However, following on from discussion at the Working Group, it was determined that the CP should be set against the DCUSA General Objectives as there would be no material impacts on the calculations within the charging methodologies.

5.4 The Working Group considered that this CP will better facilitate DCUSA General Objectives 3 and 4 as it improves efficiency by removing duplication of requirements under Clause 35A (Schedule 15) and Clause 35B (Schedule 20).

5.5 The Working Group is seeking industry views on which of the DCUSA General Objectives would be better facilitated by the intent of this CP.

**Question 12 – Which of the DCUSA General Objectives do you believe would be better facilitated by the intent of the DCP? Please provide your rationale.**

## 6 Impacts & Other Considerations

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

6.1 This Change Proposal does not impact any SCRs or significant industry code projects currently in progress.

### Consumer Impacts

6.2 This CP does not impact consumers.

**Does this Change Proposal Impact Other Codes?**

6.3 No

### Environmental Impacts



- 6.4 In accordance with DCUSA Clause 11.14.6, the Working Group assessed whether there would be a material impact on greenhouse gas emissions if this CP was implemented. The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

### Code Administrator Impacts

- 6.5 This change is expected to impact the DCUSA Code Administrator in the following ways:

- Amending processes/procedures related to the cost information tables and their publication;
- Amending processes/procedures related to the annual review pack and its publication;
- Possible updates to the DCUSA website to include a new section for new documentation; and
- The provision of a meeting, or multiple meetings, for the purpose of each DNO presenting their respective 'Provision of Tariff Forecasts'/'Schedule 15 Tables' to Suppliers and IDNOs.

**Question 13 – Are you aware of any wider industry developments that may impact upon or be impacted by this CP?**

## 7 Implementation

- 7.1 The proposed implementation date for DCP 325 is the first scheduled release following approval, however, this is still under review by the Working Group whilst the solution is developed. Respondents are invited to consider whether they agree with the proposed implementation date.

**Question 14 – The proposed implementation date for DCP 325 is the first scheduled DCUSA release following approval. Do you agree with the proposed implementation date?**

## 8 Legal Text

- 8.1 The legal text for this CP is provided as Attachment 1 for option A and Attachment 2 for option B.

### Text Commentary

- 8.2 Option A is seeking to combine the templates for the ARP and the Cost Information Tables by removing clauses 35A and 35B and creating a new clause (the Working Group have agreed to consult with Gowlings post consultation to confirm if both clauses 35A and 35B need to be deleted



and replaced with a new clause or if only one of the two clauses need to be deleted and the other repurposed.

- 8.3 Schedules 15 and 20 to be deleted and replaced with a new schedule (as with paragraph 8.2, the Working Group will seek legal advice from Gowlings as to whether schedules 15 and 20 are to be deleted and replaced with a new clause, or if one of schedules 15 or 20 can be repurposed and the other deleted).
- 8.4 Option B is seeking to remove the requirement to publish the ARP and instead publish the Cost Information Tables and a populated CDCM model
- 8.5 Update Clause 35A to include the new frequency of when the information is obligated to be published.
- 8.6 New paragraph 35A.4A to include the obligation for the Company to populate a CDCM model, as described in Schedule 16 and used to calculate the tariffs in table 3, and send the populated model to the Secretariat.
- 8.7 Delete Clause 35B entirely.
- 8.8 It is believed that no changes are required to schedule 15 but this option deletes schedule 20.

**Question 15 – Does the legal text suitably and clearly delivery the proposed solution? If not, please provide rationale.**

**Question 16 - Do you have any comments on the draft legal text?**

**Question 17 - Do you have any additional comments?**

## 9 Consultation Questions

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

| No. | Questions   |
|-----|---|
| 1   | Do you understand the intent of the CP?   |
| 2   | Are you supportive of the principle of the CP?  |
| 3   | <p><b>A-</b> Do you prefer Option A or Option B for the combination of requirements of Schedule 15 (the Cost Information Template) and Schedule 20 (ARP)? Please provide your rationale.</p> <p><b>B-</b> For option A - If the tables are to be combined, does the provided template achieve this? Is there an alternative way of combining the two templates? Are any other changes to the template required? Please provide your rationale.</p> <p><b>C-</b> For option B – Which additional items from the ARP would need to be added to the Cost Information Template to ensure all required information is still available in the Cost Information Table and populated CDCM.</p> <p><b>D-</b> Is there an alternative solution that the Working Group hasn't considered? Please provide details if yes.</p> |

|    |  |
|----|--|
| 4  | Should the years in the combined requirements be aligned to those currently in Schedule 15? Please provide your rationale.   |
| 5  | Is the conclusion from DCP 421 for the calculation of forecast revenues in future price control periods still valid? (i.e. future years should be calculated on the same basis as the latest known price control period, with a caveat stating that it is subject to change once the licence conditions are known. |
| 6  | Would a change to the current publication timetable be beneficial? If so would publications in April, September and the month of publication of final tariffs be appropriate? Is there another publication timetable that would be more appropriate? Please provide rationale.                                     |
| 7  | Would it be beneficial to prescribe in the legal text that the allowed revenue information from the latest submission of the PCFM must be used?  |
| 8  | Do you find the meetings convened under clause 35A (known as the 'DCP 066A teleconference') useful?  |
| 9  | Are there any improvements that should be made, such as submitting questions in advance or use of an online tool such as slido?  |
| 10 | Who should be responsible for hosting them – the ENA, the DCUSA secretariat or someone else?   |
| 11 | Should the meetings be held on a fixed day? Please provide your rationale.   |
| 12 | Which of the DCUSA General Objectives do you believe would be better facilitated by the intent of the DCP? Please provide your rationale.  |
| 13 | Are you aware of any wider industry developments that may impact upon or be impacted by this CP?   |
| 14 | The proposed implementation date for DCP 325 is the first scheduled DCUSA release following approval. Do you agree with the proposed implementation date?  |
| 15 | Does the legal text suitably and clearly delivery the proposed solution? If not, please provide rationale.   |
| 16 | Do you have any comments on the draft legal text?  |
| 17 | Do you have any additional comments?   |

9.2 Responses should be submitted using Attachment 3 to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) no later than 29 November 2024.

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

## 10 Attachments

- Attachment 1 – DCP 325 Option A Legal Text
- Attachment 2 – DCP 325 Option B Legal Text
- Attachment 3 – DCP 325 Consultation Response Form
- Attachment 4 – DCP 325 Proposed Template
- Attachment 5 – DCP 325 Change Proposal Form
- Attachment 6 – DCP 325 RFI Collated responses