

# DCUSA Derogation Application

## Originator Details

|                          |   |
|--------------------------|---|
| <b>Companies</b>         | All DNOs that are granted a derogation for publishing charges |
| <b>Originator's Name</b> | Chris Ong   |
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## Details of obligation(s) to which you are seeking a derogation, quoting relevant DCUSA clause(s)

|                         |                                      |
|-------------------------|--------------------------------------|
| <b>Clause/Paragraph</b> | Clauses 35.B.1 to 35.B.6             |
| <b>Obligation</b>       | Production of the Annual Review Pack |

## Reason Derogation Sought - details of the justification for seeking this derogation

Should a DNO be required to apply for a derogation from setting their DUoS charges in December 2024 and instead publish their charges for a region(s) by the end of January 2025, this would reduce the notice period of Final DUoS charges to 14 rather than 15 months, more details can be found here [Managing the effects of surplus residual charges guidance | Ofgem](#). As a result it has become apparent that DNOs will not have final charges on which to base the forecasted charges in the Annual Review Pack (ARP), by the end of December.

## Conditions – description of the conditions of this derogation (i.e. the extent to which a derogation is needed / whether a less onerous obligation will be met for the period of the derogation)

DNOs will not be able to produce meaningful charges in the ARP by the end of December if a derogation for publication was submitted and approved by Ofgem, as a result the ARP will be published alongside the Final DUoS charges by the end of January 2025, a change proposal will be raised in the new year to address this longer term.

## Impact - details of the anticipated impact on the costs and operations of other parties:

Suppliers and other parties will not have an updated ARP for a further month, but the publication will align to the publication of Final DUoS charges in January 2025, and will be meaningful when published.

## Action Being Taken - details of the action you will take to become compliant with the obligation including dates of any key milestones associated with these actions:

As stated above, the ARP will still be published but a month later than has historically been the case, at the end of January 2025 rather than December 2024. A change proposal will be raised in the new year to address this longer term in DCUSA.

## Timescales - period of time for which the derogation is sought

Until DUoS charges and ARP are published for 2026/27.

## Associated Derogations – details of any previous or current derogations which are related to this one

None

| To be completed by Panel Secretary     |  |
|--|--|
| Date received                          | 02/12/2024   |
| Representations or objections received | <p><b>EDF Energy</b></p> <p>Any request to apply derogations from setting DUoS charges in December 2024 at such short notice, and delaying the publication of the Annual Review Pack, will have a detrimental unquantified impact to consumers. It will reduce the predictability of charges for Consumers and Suppliers, and is likely to add a greater risk premium to prices for many fixed term contracts.</p> <p>Ofgem have recently concluded, in the DCP437 send back, that they currently do not have sufficient information to assess the full merits and impact of reducing the notice period of Final DUoS charges to 14 rather than 15 months. Without this full understanding of the consumer impact, we cannot see how Ofgem can approve any Derogations from setting DUoS charges in December 2024.</p> <p>Therefore, we do not consider that there is currently any requirement for the requested Derogation for production of the Annual Review Pack but understand that conditional DCUSA Panel approval may be appropriate.</p> |
| Date presented to DCUSA Panel          | 18/12/2024   |
| Outcome                                | TBC  |