

DCUSA DCP 437 Change Declaration

Voting end date: 13 June 2025

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>Change Solution – Accept.</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>Implementation Date – Accept.</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	Part One – Authority Determination Required				

PARTY	SOLUTION (A/R)	IMPLEMENTATION DATE (A/R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				
Northern Powergrid (Northeast) plc	Accept	Accept	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. When Ofgem require changes to the PCFM (as in December 2023 and December 2024) 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.
Northern Powergrid (Yorkshire) plc	Accept	Accept		
Eastern Power Networks Plc	Accept	Accept	We believe that DCUSA Charging Objectives 1, 3, 4 and 6 are better facilitated by this change. This is following revisions to licence conditions for RIIO-ED2 which resulted in the timescales for DNOs assuring, signing off and publishing tariffs being significantly shortened compared to prior price control periods. Delaying the publication of DUoS charges by just one month will allow DNOs more time to apply their assurance processes, significantly reducing the change of errors being made in the final charges when published.	N/A
London Power Networks Plc	Accept	Accept		
South Eastern Power Networks	Accept	Accept		
National Grid Electricity Distribution South West plc	Accept	Accept	1,3,4,6 are positively effected as it allows DNOs time to properly implement late changes to allowed income and apply more robust validation and assurance processes.	The change proposal was sent back by OFGEM as OFGEM wanted to understand the effect on Risk Premiums and cost to end customers. The working group have shown in the change report that the end customers would be largely unaffected.

National Grid Electricity Distribution South Wales plc	Accept	Accept		
National Grid Electricity Distribution East Midlands plc	Accept	Accept		
National Grid Electricity Distribution West Midlands plc	Accept	Accept		
Southern Electric Power Distribution plc	Accept	Accept	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.	N/A
Scottish Hydro Electric Power Distribution plc	Accept	Accept		
SP Distribution PLC	Accept	Accept	We consider General Objective 4 better facilitated by this change.	N/A
SP Manweb PLC	Accept	Accept	We consider Charging Objectives 1, 3, 4 and 6 are best best facilitated by this change.	
Electricity North West	Accept	Accept	<p>We believe the change better facilitates the following objectives:</p> <p>1. This change better facilitates delivery of Distribution Licence obligations relating to the provision of charging statements compliant with the methodologies by ensuring sufficient time is available for DNO parties to produce charges according to the requirements of the Licence.</p> <p>3. This change better facilitates the reflection of costs incurred as it enables DNO parties to take account of the final agreed PCFM position.</p> <p>4. This change facilitates taking account of development as it allows sufficient time for DNO to reflect the final PCFM position ahead of charging publication.</p>	<p>We are in full agreement with the Working Groups approach.</p> <p>It is our view that regulatory arrangements have changed, and it is necessary to align DCUSA notice periods to those new arrangements.</p> <p>Whilst we recognise the benefits to customers of providing a stable pricing environment through the current 15 month notice period, we also recognise the importance of DNO parties having sufficient time and information to provide accurate prices at the time of publication.</p> <p>Being able to set more accurate prices while maintaining quality control procedures contributes to price stability for customers by ensuring the correction factor is not inflated by unavoidably inaccurate forecasts resulting from inappropriate deadlines. This</p>

			<p>6. This change better promotes efficiency in implementation and administration by ensuring the publication date allows for sufficient time to produce charges that reflect the PCFM position. This removes the need for testing of multiple scenarios and allows for a structured approach to production and testing of charges and associated documents as required by the DCUSA.</p> <p>We cannot identify any areas where the change materially adversely affects facilitation of the DCUSA objectives.</p>	<p>is of benefit to customers in the same way as the provision of a notice period.</p> <p>We do not believe that the removal of a single month would have a material effect on pricing decisions and market conditions generally, which is well evidenced by the work undertaken by the Working Group. We are therefore of the view that this change would be a net benefit for customers.</p>
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IDNO PARTIES				
INDEPENDENT DISTRIBUTION CONNECTION SPECIALISTS LIMITED	Accept	Accept	IDCSL agrees with the working group that Charging Objectives 1, 3, 4 and 6 are better facilitated.	N/A
INDIGO POWER LIMITED	Accept	Accept	1,3,4,6	N/A
The Electricity Network Company Limited	Accept	Accept	<p>Charging Objective 1: The obligations of the licence conditions are released with greater efficiency, 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>	The ENC supports this change proposal

SUPPLIER PARTIES				
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EDF ENERGY CUSTOMERS LIMITED	Reject	Reject	None. In our view it 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.
British Gas	Reject	Reject	<p>As per our previous response 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.</p> <p>This view is supported by the analysis presented in the change report and the working group conclusions as follows:</p> <ul style="list-style-type: none"> an estimated average impact of the potential increased risk premia on domestic customer bills, being c 0.3% of the 2025/26 bill for those domestic customers who take out a 24-month contract starting in February; 	N/A
SSE Energy Supply Ltd (SSE Business Energy)	Reject	Reject	We agree with the proposed objectives.	N/A
CVA REGISTRANT PARTIES				
No votes received				
GAS SUPPLIER PARTIES				
Not Eligible				