

DCP 179 CONSULTATION RESPONSE FORM

To: Rosalind Timperley
 Email: DCUSA@electralink.co.uk
 Fax: 020 7432 2842

Name:	Kevin Spencer
Organisation:	ELEXON
Role:	Central Body
Email address:	Kevin.Spencer@elexon.co.uk
Phone number:	020 7380 4115
Response ¹ :	Non-confidential

1. Do you understand the intent of the CP?

Yes, it was the work of our Profiling and Settlement Review Group that originally identified the issues this DCP is aiming to resolve. We note the large volume of work that has been undertaken by the working group and the MIG sub-group in identifying the proposed solution.

2. Are you supportive of the principles established by this proposal?

Yes, we believe that the potential barriers to Half-Hourly (HH) Settlement should be mitigated or removed to facilitate the approval by the Ofgem ('the Authority') of P272 and remove barriers to elective HH Settlement and to provide cost reflective charging for consumers. We note that Ofgem ultimately rejected P280 which sought to introduce new Measurement Classes as a workable solution had not been defined at the time. We agree with the principle that customers moving to the new tariffs should have their tariffs derived from their existing (NHH tariff). We also agree with the pragmatic approach for aggregated HH export (generation) tariffs.

3. Do you have any comments on the proposed legal text?

The legal text references the new Measurement Classes to be introduced under the BSC Modification P300 and refers to their availability. We do not see an issue provided P300 is approved and implemented concurrently with this DCP or soon after it. A scenario where P300 is rejected would require either amendment to this text or the avoidance of re-use of these Measurement Class identifiers in any future BSC Modification that sought to introduce new

¹ All responses will be treated as non-confidential unless indicated otherwise.

Anonymous responses will omit the detail of the submitting party but the content of the response will be provided to the Working Group and published on the DCUSA website.

Confidential responses will not be published on the DCUSA website but submitted solely to the Working Group for the analysis of the CP. For all other confidentiality requirements please contact the secretariat at DCUSA@electralink.co.uk or 0207 7432 3017

Measurement Classes (provided these were defined differently).

4. Do you agree with the Working Group's approach to remove the inconsistency between the standing charge factors for the HV non-domestic tariff in the legal text and the CDCM model by setting the values to that currently used in the CDCM model? If not, please explain why.

No comment.

5. Do you need to make any system changes to accommodate this change? If yes, please provide information on the following points:

- What systems are impacted?
- How much time you believe you need to implement these changes?
- What do you believe they will cost?
- Please describe the nature of the changes required?

Not directly for this DCP, however, the associated changes defined in P300 will require changes to BSC Central systems to facilitate the intent of this DCP. The P300 Impact assessment gives estimated costs of £120K and a two month lead time. For more information please contact ELEXON.

6. Do you have any comments on the structure of the tariffs? For instance, do you think it is appropriate for all HH customers to have three rates but not for all customers to have an explicit capacity charge?

No comment

7. Do you agree with the Working Group's proposal to amend the name of the LV Generation NHH tariff rather than introduce a new tariff?

Yes, as already stated in our answer to question 2.

8. Do you believe that Whole Current and CT is the appropriate boundary for HH site specific settlement and HH aggregated settlement?

Yes, we support this approach and have a preference for definitions that reference metering characteristics rather than Profile Classes or '00' for Half-hourly Settled customers. The number of customers on each was also an important consideration for the manageability of CT customers on

a HH site specific basis and we note the work undertaken by the working group in this area.

9. Do you agree with the Working Group proposal that WC customers currently on the LV HH metered tariff should automatically migrate to the new LV non-domestic, non-CT tariff? If not, please explain why.

Yes, we agree with this approach to provide clarity for the boundary and remove the explicit capacity and reactive charges for these customers.

10. Are there any unintended consequences of this proposal?

None identified.

11. Do you consider that the proposal better facilitates the DCUSA objectives?Charging Methodology Objectives:

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
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)
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
4. That, so far as is consistent with paragraphs 13A.6A to 13A.9, the CDCM, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business
5. That compliance by each DNO Party with the Charging Methodologies facilitates 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

General Objectives:

1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
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
3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
4. The promotion of efficiency in the implementation and administration of this Agreement
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.

We agree that the proposal better facilitates the DCUSA objectives particularly objectives 2 and 3 of the general objectives.

12. Are there any alternative solutions or matters that should be considered?

None identified or recommended by ELEXON for this solution. However, we note that a P300 working group member suggested that there should be a separate tariff / Measurement Class for non-domestic CT metered customers for aggregated billing. We have provided this view for your consideration.

13. The proposed implementation is date 1 April 2015, do you agree with this proposed date?

The P300 Impact Assessment responses are recommending 1 April 2016. Consideration should be given to aligning the two changes. We would welcome further discussion on the alignment of the implementation dates.

14. Please state any other comments or views on the Change Proposal.

The P300 Modification documentation can be found at the following link:

<http://www.elexon.co.uk/change/modifications/>

We also note the reduced scope of the proposed changes following the guidance provided by Ofgem and are keen that the momentum on the related DCPs 160 and 165 is maintained.