

Proposed variation:	Distribution Connection and Use of System Agreement (DCUSA) DCP055: Provision of Annual Rota Block data to Suppliers		
Decision:	The Authority¹ directs that this variation be made²		
Target audience:	Parties to the DCUSA and other interested parties		
Date of publication:	6 May 2010	Implementation Date:	26 June 2010

Background to the proposed variation

The rota disconnection process is designed to enable customers to have an equal share of available power across the country on a rotational basis, with protection of certain customers in an emergency situation. The process divides areas of the country into blocks which can be disconnected as needed to reduce demand. The 'alpha identifier' is the letter allocated to customers in a particular block by which they will be notified of an intended power cut during a supply emergency.

The provision for rota disconnections is included in the government's Electricity Supply Emergency Code (ESEC)³ which sets out the procedure the government may take to deal with an electricity supply emergency. The DCUSA sets out how actions will be undertaken by DNOs and suppliers at a practical level to inform customers of their alpha identifier.

The proposed variation builds on the premise of DCP010⁴ which moved the obligation to notify customers of their alpha identifier from the Distribution Network Operators (DNOs) and Independent Distribution Network Operators (IDNOs) to Suppliers. As a result, DNOs and IDNOs were required to provide Suppliers with the alpha identifier for all the customers in their network areas associated with a postcode on an annual basis. Suppliers were obligated to place the alpha identifier on each electricity bill or statement of account that they send to customers and publish this information in a consistent style and location on a customer's bill or statement of account.

DNOs and IDNOs are currently required to provide Suppliers with the alpha identifier for each postcode within which customers have connections to the distribution system. However the mechanism for the collation and distribution of the rota block data, and the format for publishing the data are currently not specified in the DCUSA. Suppliers reported that the data provided to them by DNOs and IDNOs in 2009 proved problematic to upload automatically as it contained duplicate or invalid and incomplete postcodes.

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ This ESEC was developed to show how a long-term shortfall of power would be handled, nationally and locally. The system enables a fair and as far as is technically possible, equal distribution to consumers. It also ensures that customers maintain supplies for as long as possible. The ESEC may be found on the Department for Business Innovation and Skills (BIS) website at <http://www.bis.gov.uk/files/file30310.pdf>

⁴ DCP010: Notification and publication of rota load block identifier, implemented in June 2008.

The proposed variation

DCP055 – “Provision of Annual Rota Block data to Suppliers” (the proposed variation), was raised by Scottish Power Energy Retail Limited (SPERL) on 22 February 2010 to put in place a process for providing annual rota block data to suppliers in a standardised and validated manner.

DCP055 proposes amending the DCUSA to place an obligation on all DNO and IDNO Parties to ensure that Suppliers receive rota block data from a single, central source in a recognised and validated format. The DNOs and IDNOs will ensure that the central body, currently the Energy Networks Association (ENA), collates all postcode data before compiling the file to be sent to Suppliers. Receiving data in a format agreed and specified in the DCUSA will facilitate the easy upload of the data by Suppliers to customer bills or statements of account. Currently the data is provided by DNOs and IDNOs in differing formats which has the potential to hinder Suppliers from processing the data in an timely fashion. Once the data is processed, suppliers can provide customers with their alpha identifier, as specified by the DCUSA.

Recommendation to Ofgem

Proposed variation

The DCUSA Parties recommended that the proposed variation be implemented.

Implementation date

The DCUSA Parties recommended that the proposed implementation date be accepted.

The Authority’s decision

The Authority has considered the issues raised by DCP055 and the final Change Report (CR) dated 29 March 2010. The Authority has considered and taken into account the responses to ElectraLink’s⁵ consultation which are attached to the CR⁶ and the recommendation of the DCUSA Parties. The Authority has concluded that:

1. implementation of the proposed variation will better facilitate the achievement of the Applicable DCUSA Objectives⁷; and
2. directing that the proposed variation be made is consistent with the Authority’s principal objective and statutory duties⁸.

⁵ The role, functions, and responsibilities of Electralink are set out in Section 1B of the DCUSA.

⁶ DCUSA change proposals, modification reports and representations can be viewed on the DCUSA website at <http://www.dcusa.co.uk/Public/Default.aspx>

⁷ As set out in the Distribution Licence Standard Condition 9B(9), see: http://195.12.224.140/document_fetch.php?documentid=8378

⁸The Authority’s statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989.

Reasons for the Authority's decision

We consider that the proposed variation better facilitates objectives 3.1.3 and 3.1.4 but is neutral in regards to the other objectives. Our reasons are set out below.

DCUSA Objective 3.1.3 - the efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences

We consider that the proposed variation will improve distribution companies' ability to more efficiently discharge their obligation under standard condition 8 of their licences. Standard condition 8 of the Electricity Distribution Licence sets out a requirement for DNO and IDNO Parties to have in place an enquiry service, which amongst other things, will allow customers to be provided with information in relation to any matter that is likely to affect the maintenance of the security, availability and quality of service of the licensee's distribution system.

Should DNO and IDNO Parties ever be required to implement rota disconnections, the proposed variation will ensure customers have access to their alpha identifier and can be easily directed to it through the media, for example. The Electricity Supply Emergency Code requires that DNOs and IDNOs prepare and keep up to date plans for the introduction of rota disconnections which are capable of being activated in 48hours. We consider that improvements to the ability of suppliers to provide timely and accurate alpha identifier data to customers, such that they can be directed via the media to their alpha identifiers during a supply emergency, will reduce customer reliance on the distributor's enquiry service to provide them with equivalent information. This will help ensure that the enquiry service is able to be used more efficiently, for example, in dealing with other urgent matters.

DCUSA Objective 3.1.4 - the promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it

We note the view of the Working Group that the proposed variation will better facilitate DCUSA objective 3.1.4. The proposal seeks to clarify the requirements implemented in DCP010 such that Suppliers receive rota block load data from a single source in a standardised and validated format. We agree that this will increase the efficiency of the processes set out in Schedule 8 of the DCUSA by providing further clarity to the rota load requirements and reducing potential costs for suppliers associated with managing errors in the data.

DCUSA Objective 3.1.1 - the development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated and economical Distribution Networks

The Working Group concluded that the proposed variation will better facilitate DCUSA objective 3.1.1. It considered that an obligation on all distributors to ensure Suppliers are provided with alpha identifier data from a central source and in an agreed format, for subsequent provision to customers, will enable customers to accurately ascertain when they will be affected in any rota disconnection event, and will facilitate the efficient management of such an event.

We do not consider that the provision of accurate information to customers will, by itself, better facilitate an efficient, co-ordinated and economical Distribution Network although we note that it is likely reduce associated costs in managing customer complaints and inquiries. We therefore consider that the impact of the proposed variation to be neutral in respect of this objective.

Further issues

One IDNO raised concerns that the ENA had previously refused to accept data from IDNOs who are not members of the ENA. The Authority notes that the proposed variation requires distributors to ensure that the central agent must collate data provided by all DNOs and IDNOs. We therefore consider that it is the responsibility of all DNOs and IDNOs to ensure that the central agent accepts data from all relevant sources and would expect them to consider this issue when determining the terms for appointment for the central agent.

One DNO stated that experience gave them little confidence that the data would be delivered in a consistent or accurate manner as the ENA is not a party to the DCUSA. The Authority is of the view that, under the proposed variation, it is for distribution companies to ensure that the central agent provides the collated data to Suppliers in the agreed format and within the required time period. We note that there are benefits that the central validation process could bring in regards to improving data accuracy if errors are identified and rectified effectively as part of this process, prior to the provision of data to suppliers. We are aware that the legal text is not explicit with regard to the data validation requirements of the central agent or the process for addressing any errors identified. Therefore we would expect these requirements to be set out in any contract with the central agent. Were this not to be the case then a further modification could be raised to clarify the matter.

We also note a number of issues were raised under the banner of the DCP 055 consultation for example, whether the alpha identifier should be associated with an MPAN rather than a postcode. We do not consider that these issues relate to the specific proposed variation. However, we would welcome further consideration of these issues by DCUSA Parties, were they considered to be material.

Decision notice

In accordance with Standard Condition 9B of the Distribution Licence, the Authority hereby directs that the proposed variation set out in DCP055: "Provision of Annual Rota Block data to Suppliers" be made, and that it shall be implemented on 26 June 2010.

Ian Marlee

Partner, GB Markets

Signed on behalf of the Authority and authorised for that purpose.