

DCUSA DCP 079 Consultation Responses – Working Group Comments

	Question One	Do you understand the intent of the CP?	WG Comments
1	Amey LG Ltd	Yes, but not to the extent to which it will apply to existing and new unmetered connections.	The CP applies equally to metered and unmetered connections and the consequences are the same for both. Where a Supply contract is in place the National Terms of Connection will already be in place in the absence of any other agreement i.e. a bespoke Connection Agreement with a Distribution Network Operator (DNO). Implementation of DCP 079 will mean that the National Terms of Connection (NTC) apply to all new and existing connections where no Supply contract or bespoke connection agreement exists.
2	BOC Ltd	I believe so.	Noted. Hopefully the rest of this document will support your belief. If not please let us know of any concerns you may have.
3	Electricity North West	Yes. This helps to provide additional clarity surrounding the National Terms of Connection and how they include such terms as indicated by section 21 the Electricity Act.	Noted
4	ESP	Yes – it is intended to clarify in the NTC they have statutory effect derived from the Electricity Act.	Noted
5	NEDL/YEDL	Yes	Noted

6	SP Distribution/SP Manweb	Yes	Noted
7	The Electricity Networks Company	Yes	Noted
8	UK Power Networks	Yes	Noted
9	Western Power	Yes	Noted
	Question Two	Are you supportive of the principles of the CP?	
10	Amey LG Ltd	<p>Yes, for the default position in the absence of any agreement to be National Terms and Conditions.</p> <p>No, that "occupiers" of premises can be automatically tied into statutory terms unless it can be established that they are responsible for using the connection (consuming energy).</p> <p>An "occupier" who is not also the "owner" of a premises, should not have the right to terminate a connection agreement and initiate a permanent disconnection by the DNO.</p>	<p>DCP 079 does not seek to amend any of the existing provisions of the NTC or any other legislation.</p> <p>Under Schedule 6 paragraph 8 (2) of the Electricity Act the "person occupying" or the "person entering into occupation" may request a disconnection.</p> <p>Under the NTC the occupier and owner each has the right to terminate the connection agreement and initiate a disconnection where there is no foreseeable future use for it to the extent that the NTC apply to them. The Working Group believes that if the NTC have statutory effect this gives the owner the right to initiate a disconnection but also the right to be connected and hence may give an owner more protection where an occupier seeks a disconnection against the owner's wishes. If the NTC are purely contractual there will be</p>

			circumstances where the owner is not party to them while the occupier is.
11	BOC Ltd	Yes	Noted
12	Electricity North West	Yes	Noted
13	ESP	Yes.	Noted
14	NEDL/YEDL	Yes	Noted
15	SP Distribution/SP Manweb	Yes	Noted
16	The Electricity Networks Company	Yes	Noted
17	UK Power Networks	<p>Yes. It is clear from s21 that statutory terms may be imposed by distributors.</p> <p>The NTC have been developed to give consistency across distributors, where terms are entered into contractually, and have been approved by Ofgem.</p> <p>Making use of the NTC as the default for connection terms imposed by statute, similarly results in consistency across distributors and, in addition, gives consistency between customers who are contractually bound by these standard connection terms and those bound to them as a result of the statute.</p>	Noted
18	Western Power	Yes	Noted
	Question Three	Do you agree with the analysis in this consultation document regarding the impact on Customers of amending the National Terms and Conditions as	

		proposed?	
19	Amey LG Ltd	Some	Unless you believe that the areas of concern you have are covered off under other questions and responses contained within the consultation it would be helpful if additional information is provided so that we can understand the issues you have and we can respond accordingly.
20	BOC Ltd	Broadly, but this is a detailed legal argument and I would not wish to second guess a Judgement.	Noted, but if the responses to this consultation suggest otherwise please let us know
21	Electricity North West	<p>Yes. This is well constructed and argues the case well.</p> <p>However in our opinion the argument to include an 'only if' statement does not add any weight to this change. The change request may as well not change at all.</p> <p>We would challenge the first bullet point under Para 5.9.</p> <ul style="list-style-type: none"> The National Terms of Connection would give the owner/occupier the right to have their premises connected, and would prevent the Distributor reallocating their capacity to another connected; 	<p>The Working Group agreed to remove "only if" negating the need for an alternative CP.</p> <p>The comment regarding reallocation of capacity referees to an issue that the industry is already addressing. At the heart of the issue is the application of the existing NTC drafting on a contractual basis. This is already being discussed by the Capacity Management Working Group under the Distribution Charging Methodology Forum. The question of whether capacity can or cannot be reallocated is outside the scope of DCP 079. The implementation of DCP 079 will mean that whatever the outcome of the capacity management working group as it applies to the NTC contractually would also apply to those bound to</p>

		In our view this is misleading as the Distributor would still be able, in certain circumstances, to reallocate capacity to other users. Such reallocation would depend on the timescale associated with non use of such a capacity together with any correspondence that has been undertaken between both parties in line with our obligation to the develop, maintain and operate an efficient, co-ordinated, and economical Distribution System.	the NTC by statute.
22	ESP	Yes	Noted
23	NEDL/YEDL	Yes	Noted
24	SP Distribution/SP Manweb	<p>We do not believe the analysis in the consultation document has been sufficiently developed to make an assessment of the potential impact on customers. Paragraph 5.9 provides only limited examples and we are particularly interested in understanding further the statement:</p> <p>"the National Terms of Connection would give the owner/occupier the right to have their premises connected, and would prevent the Distributor reallocating their capacity to another connected;"</p> <p>Whilst we agree with this statement in certain circumstances, we consider the ability of the Distributor to reallocate capacity would prevail in others.</p>	<p>It would be helpful to the Working Group if you could provide any further examples so we could undertake further analysis in this area prior to the working group finalising the Change Report.</p> <p>With regard to your comments on the re-allocation of capacity please see the response to number 21 above which covers the same concern.</p>
25	The Electricity Networks	Yes	Noted

	Company		
26	UK Power Networks	Yes	Noted
27	Western Power	Yes	Noted
	Question Four	Do you have any other comments regarding the potential impact on Customers of amending the National Terms and Conditions as proposed?	
28	Amey LG Ltd	Yes, we would appreciate further communication on any potential impact on existing and new unmetered customers and supply agreements. We do not have any specific concerns but would appreciate confirmation that group has considered any impact.	See response to question 1.
29	BOC Ltd	<p>The critical issues seem to be:</p> <p>1 That any new terms introduced must not over-write any local agreements currently in force</p> <p>2 That any new terms must not be used to over-write any local connection agreements under negotiation or in dispute (ie a DNO must not be able to procrastinate its way out of a reasonable user need for a bespoke agreement)</p> <p>3 That any substantial Consumer that wishes to negotiate a bespoke agreement should have the right to do so; I believe that Substantial here should mean if there is a non-standard element to the distribution network locally, or anything at EHV.</p>	<p>DCP 079 will not impact any existing agreements. It seeks to ensure that the NTC applies to connections in the absence of any other agreement. Section 1F of the NTC states the following:</p> <p>"Existing connection terms: Any existing terms and conditions applying to you and the connection of the premises to the network (except for standard terms which have effect by virtue of statute or pursuant to a contract with an electricity supplier, or Which an electricity supplier procured your acceptance of) will apply instead</p>

			<p>of the National Terms of Connection to the extent that the two are inconsistent.”</p> <p>DCP 079 does not seek to amend the existing legislation which gives all customers the right to apply for a bespoke connection agreement (Section 21 or 22 of the Electricity Act).</p> <p>In instances where agreements are currently being negotiated there will be no impact unless the site has been energised. If the site is energised and there is no agreement in place, the NTC will be deemed to apply if DCP 079 is implemented. This offers better protection to the customer who could otherwise face unlimited liabilities in the event of any damage to the network. Such an arrangement would then be terminated and replaced with the bespoke agreement once it has been agreed.</p> <p>On a change of tenancy any existing bespoke connection agreement in place with tenant would terminate. The new tenant could enter into a supply contract in which case the NTC would apply or apply for a bespoke connection agreement with the DNO. Under DCP 079, in the absence of</p>
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			either, the NTC would be deemed to apply – again offering protection to the customer who could otherwise face unlimited liabilities in the event of any damage to the network. Once again, the NTC would only apply until an alternative bespoke agreement is in place.
30	Electricity North West	We believe there is no immediate impact on Customers. Where such an impact does occur the judicial route would be followed with or without this change.	Noted
31	ESP	No additional comment.	Noted
32	NEDL/YEDL	No. We agree that it will be clearer to customers	Noted
33	SP Distribution/SP Manweb	Whilst we support the principle of imposing statutory terms via s21, we have reservations as to how it would work in practice, particularly in relation to how customers would be made aware of the national terms of connection and be given the opportunity to review them.	<p>The Working Group recommends that Distributors enhance awareness of the NTC via their websites. Supplier contracts also highlight them. Bodies such as ENA, DCUSA have website links to the NTC. Other industry bodies such as Ofgem etc. could do similar.</p> <p>The problem of customer awareness is one similarly faced by Suppliers in respect of their deemed contract terms, where the publication of them on websites is deemed sufficient.</p>

			Changes to the NTC are notified in the national press (and this has been done at least twice in the last [18] months).
34	The Electricity Networks Company	No	Noted
35	UK Power Networks	No	Noted
36	Western Power	No	Noted
	Question Five	Do you have any comments on the proposed drafting of the amendment?	
37	BOC Ltd	No. No criticism is intended by noting that the new format of UNC Mod seeks (and generally manages) to express the summarised purpose of the Mod in plain English, and that this principle could well be applied more widely.	Thank you for your comment in this area. We have requested that this is fed back to the DCUSA Panel for further consideration.
38	Electricity North West	It makes it clear that section 21 links them to the National Terms of Connection.	Noted
39	ESP	It appears suitable as drafted.	Noted
40	SP Distribution/SP Manweb	We have no specific comments on the drafting. However, as stated in our answer to the previous question, we do have concerns that the effect of the changes may be limited due to customers not being made aware of their existence. What obligations (if any) do the working group consider Distributors have to	Noted. Also see response to question 33. The Working Group is unaware of any obligations on Distributors but believe it would be good practice for them to highlight their existence and effect.

		make customers aware of the national terms of connection?	
41	UK Power Networks	These are fit for purpose.	Noted
	Question Six	Are there any alternative solutions or matters that should be considered?	
42	Amey LG Ltd	No	Noted
43	BOC Ltd	No	Noted
44	Electricity North West	No	Noted
45	ESP	None that we are aware of.	Noted
46	NEDL/YEDL	No	Noted
47	SP Distribution/SP Manweb	No	Noted
48	The Electricity Networks Company	Not that we can suggest.	Noted
49	UK Power Networks	No	Noted
50	Western Power	No	Noted
	Question Seven	<p><u>This question is only applicable to DCUSA Parties: Do you consider that the proposal better facilitates the DCUSA objectives?</u></p> <p>1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.</p> <p>2. The facilitation of effective</p>	

		<p>competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity.</p> <p>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</p> <p>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</p> <p>Please provide supporting comments</p>	
51	Electricity North West	<p>Yes. It better facilitates general objective 1 – the development, maintenance and operation by each of the DNO Parties by providing clarity to customers on how they are connected and how such a connection is maintained together with the obligations on both parties.</p>	Noted
52	ESP	<p>1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.</p> <p>ESP believes it provides further clarification as to</p>	Noted

		what is covered by the NTC.	
53	NEDL/YEDL	<p>We consider that DCP 079 better facilitates DCUSA objective 1 because it ensures customers are clearly covered by the National Terms of Connection in the absence of a bilateral connection agreement. The proposal minimises the risk that no formal contract between the owner and/or occupier of a premises and the distributor exists.</p> <p>We consider that DCP 079 also better facilitates DCUSA objective 4 because the applicability of the terms is clearer making it easier for customers and distributors to interpret. Both owners and occupiers will be equally aware of a reasonable "baseline" of standard connection terms that apply equally to owners and occupiers of premises.</p>	<p>Noted</p> <p>The Working Group was unable to support the better facilitation of objective 4 but this comment will be noted in the change report that will be submitted to the Panel.</p>
54	SP Distribution/SP Manweb	We consider DCUSA objective 1 above is better facilitated.	Noted
55	The Electricity Networks Company	<p>We believe that the proposal better facilitates objective 1 of the DCUSA.</p> <p>We agree with the proposer in-so-far-as the proposal would enable distributors to ensure that customers are clearly covered by the NTC in the absence of a bilateral Connections agreement and hence limit their liability.</p>	Noted
56	UK Power Networks	1. It enables distributors to ensure that customers are clearly covered by the NTC in the absence of a bi-lateral connection agreement and hence to limit their liability.	Noted

57	Western Power	<p>We consider the change proposal better facilitates Objective 1;</p> <p>"The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System."</p> <p>Its implementation will reassure DNO's, where a bespoke Connection Agreement does not exist, that they will be able to rely upon the terms and conditions within the NTC, particularly with regard limiting their liability.</p>	Noted
	Question Eight	Would you be interested in participating in a workshop to discuss the nature of this proposal in more detail?	
58	Amey LG Ltd	Yes subject to discussions involving impact on unmetered customers	Noted. If the responses made to your earlier comments do not fully answer your concerns please let us know what they are and we will discuss at the next meeting. An invitation for your attendance will also be provided to you.
59	BOC Ltd	Whether interested or not, time does not permit....	Noted
60	Electricity North West	We have representation on the working group and as such we will attend under that invitation.	Noted
61	ESP	Either myself or a work colleague may be interested in participating in the workshop – dependent on availability.	Noted

62	NEDL/YEDL	Happy to attend if this is required.	Noted
63	SP Distribution/SP Manweb	Yes	Noted
64	The Electricity Networks Company	Yes	Noted
65	UK Power Networks	Yes. Such a workshop could not sensibly go ahead without the proposer of the change being represented.	Noted
66	Western Power	Possibly, dependent on the outcome of the consultation.	Noted. Please review the responses provided and if you still have any concerns let us know what they are and we will discuss at the next meeting. An invitation for your attendance will also be provided to you.
	Question Nine	May we contact you if we would like to clarify any part of your response?	
67	Amey LG Ltd	Yes	Noted
68	BOC Ltd	Yes	Noted
69	Electricity North West	Yes	Noted
70	ESP	Yes	Noted
71	NEDL/YEDL	Yes	Noted
72	SP Distribution/SP Manweb	Yes	Noted
73	The Electricity Networks Company	Yes	Noted
74	UK Power Networks	Yes	Noted

75	Western Power	Yes	Noted
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