

DCUSA DCP 124 Consultation Responses – Collated Comments

| Question One | Have the Working Group addressed the previous responders comments in the Working Group responses to the first Consultation? (As set out in Appendix D.) | Working Group Comments |
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| UK Power Networks | We believe they have. | Noted |
| SP Manweb PLC & SP Distribution Ltd. | SP Energy Networks Agree that that the Working Group addresses the previous responders comments in the Working Group responses to the first Consultation. | Noted |
| Forth Ports | To a large extent yes, though we consider that the issue 4.1.3.2CB regarding statutory rights of access does not address the key point. The point is that it is not acceptable for a DNO to have a right to alter an SNO's assets, much as an ENO does not have the right to alter a DNO's assets. | This section is for a non metered connection point, in the case of Forth Ports their connection points are metered and therefore this particular clause that has been referenced would not apply. When a DNO enters another Network it is in relation to the licence obligations under other codes. There are no rights contained within the drafting to amend PNOs |

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| | | equipment rather rights to inspect, test and detect illegal abstraction with the principle LDNOs rights being only to de-energise the boundary connection in the last resort if the PNO is unable or unwilling to effect corrections to their own network. |
| ENWL | We did not respond to the initial consultation so we cannot comment on this question. | |
| Question Two | How would Parties see any De-energisation, Re-energisation, Safety Reporting or any other MRA data flows work in relation to embedded metering points, for which the License Distributor is not operationally responsible, noting that private network operators are not party to the MRA or party to industry data flow mechanisms? | Working Group Comments |
| UK Power Networks | We envisage that in the foreseeable future a range of new Line Loss Factor Classes will be produced, primarily for charging DUoS differently, but which will signify a connection which is not directly to the | We note the comment the working group feels it needs to be taken up by other industry groups. It is recognised that exempt distributors are not party to |

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| | <p>licenced distributors system.</p> <p>Until such time that those 'embedded metering point' LLFCs are established progress on some form of code of conduct between suppliers, meter operators and distributors, most likely through the MRA working practice set, is unlikely.</p> <p>However we envisage an arrangement, once embedded metering point LLFCs are established, by which flows to the licenced distributor might be handled differently and in some cases automatically rejected by licenced distributors.</p> <p>We would be keen to hear from Suppliers how they propose to manage the flows of instructions such as MRA dataflows for embedded customers' metering points where they know that the customer is not directly connected to the licenced distributor's system (the licence distributor merely providing meter point registration services) to the appointed electricity supplier for the relevant exempt distributor customer's connection.</p> | <p>some of the industry codes and as such these still need to be addressed. However, it is not an issue for this change proposal.</p> |
| SP Manweb PLC & SP Distribution | <p>SP Energy Networks considers that there may be some issues around the above points. Private Network Operators are not party to the MRA or party to data flow industry mechanisms. Even for the purposes of</p> | <p>We have indicated in the response above that the discussions are needed by other industry groups.</p> |

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| Ltd. | <p>MPAN creation, the industry process needs to be modified.</p> <p>With regards to safety reporting, a customer on a Private Network will have a traded MPAN issued. This MPAN, by default, will end up in our safety / fault reporting systems. As a LDNO, we will disregard this MPAN. We will do this by making it clear on the address fields that it is exempt from BAU processes.</p> <p>With regards to De-energisation / Re-energisation and any other dataflows, SP Energy Networks will only be able to action requests from the Embedded Network Operator at the point of connection to our network.</p> <p>As a Licensed DNO we will have to rely on the information coming from the Exempt Distributor as we have no contractual relationship with any customer on a Private Network.</p> | |
| Forth Ports | n/a | |
| ENWL | <p>Albeit we can understand why the question is being raised and it is a concern this is not a question for this working group, nor should it affect the national terms of connection under consideration. They are more use of the system and registration concerns.</p> | Noted. |
| Question Three | Is the current wording in Clause 5.2 of the legal drafting, around notices, sufficient? | Working Group Comments |

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| UK Power Networks | <p>Yes, we believe so.</p> <p>It will not be possible in all circumstances to notify the owner of an exempt network of actions ahead of time, more so where the owner does not occupy the relevant premises housing the exempt network or is not contactable (no contact details provided or existing contact details out of date).</p> | Noted. |
| SP Manweb PLC & SP Distribution Ltd. | We agree that the current wording in Clause 5.2 around notices is sufficient | Noted. |
| Forth Ports | n/a | |
| ENWL | <p>We see no reason to change this wording (5.2). It is sufficient for notifying customers under section 3 so why be different here.</p> <p>However when reading the consultation document (ref 5.3), there is some doubt as to whether the clause reference in the question is correct, and it is more alluding to the new clause 23.4:</p> <p><i>"Where the Exempt Distributor fails to notify the Company under clause 23.3 the Company shall not be</i></p> | The working group has agreed the reference is sufficient in ref 5.3 and clause 23.4. |

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| | <p><i>liable for any claims arising and the Exempt Distributor shall full indemnify the Company against such claims."</i></p> <p>If so we think that this is a valid clause to include aiding clarity but we suspect that it would be the case without such a reference.</p> <p>In practice, were we have decided to de-energise a private network associated with a block of flats, we have also notified the tenants of such an intent from a customer service perspective and potential impact on them should such a notice not be passed on by the landlord.</p> | |
| Question Four | There are a number of indemnity clauses set out in the drafting. Do these clauses cover off any issues and concerns in this area? | Working Group Comments |
| UK Power Networks | <p>We consider that the De-energisation, Re-energisation and Disconnection clauses require an indemnity to cover the circumstances where the Company has had to de-energise or disconnect the exempt network due to the failing of the exempt distributor or its connected users, such that the connected users have no claim again the Company.</p> | <p>The Working Group believe It is covered by the new clause 15.10. Under clause 15.10</p> |

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| | <p>A further indemnity may be required in respect of access to users premises connected to exempt distributor's system in the circumstances that the users have so shrouded or box or cupboarded or enclosed relevant wiring as to make revenue protection work impracticable without the removal of the relevant enclosing material. It would seem reasonable for the Company to bear no liability arising from the removal of enclosing material that, given the requirements of access for the meter operator, supplier, exempt distributor and Company should not have been present. The Exempt Distributor should ensure that embedded metering positions and all relevant wiring are accessible and free of obstructions to permit meter operation and inspection of wiring.</p> | <p>We believe it covered by 15.10 but expect suppliers to cover in their contract the ability to install a meter and to read a meter for such issues as enclosure should not apply.</p> |
| SP Manweb PLC & SP Distribution Ltd. | <p>We agree that the indemnity clauses set out in the drafting cover off any issues and concerns.</p> | <p>Noted.</p> |
| Forth Ports | <p>n/a</p> | |
| ENWL | <p>The first reference is under 5.1.17 (inaccurate reference since this is actually part of clause 4.1).</p> | <p>The Working Group noted that the first point will be covered by the legal text review.</p> |

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| | <p>This is about receiving notification, where full settlement metering is installed of the capacity value, and when changed what the new values will be, for HH customers on a private network. There is a reference that this is required in order to comply with our Distribution Licence. We are not sure whether this is valid. We can understand why this is included but whether it should be in this document is questionable. See legal text review comments.</p> <p>Whilst we understand that such an indemnity will cover off any impact on the network where increases in capacity are not notified this is probably covered under the liability we have for damage so we believe this is more about receiving the relevant data to bill which is use of system rather than connection terms.</p> <p>Apart from that we believe that this (indemnity) is already covered by what is currently referred to as clause 4.1 (error in referencing and such be clause 4.2) which makes reference to clause 4.1. Consider deleting the indemnity.</p> <p>Clause 4.1 (which is actually 4.2) is the second reference and this is consistent with Section 3 so should be retained</p> | <p>The distribution licence makes reference to the relevant charging methodology.</p> <p>The next point will be covered by the legal text review.</p> <p>Agreed legal text removed from 5.1.17.</p> <p>Agreed.</p> |
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| | <p>Clause 15.2 and 15.3 are consistent with section 3 so should be retained.</p> <p>Clause 15.10 is new is concerned over a user of the private network bringing a claim against the distributor. This seems acceptable.</p> <p>Clause 15.11 is new and covers off when an exempt distributor should actually be a distributor. We believe that since you have include under section 2 the fact that section 5 will still apply until such a situation is rectified there is no need to repeat such a situation here since they will be subject to the indemnities that apply to section 5 in any case. Consider deleting.</p> <p>Clause 19.6.1 is new and covers off any claim resulting from a de-energisation or disconnection from users on the private network at the time where such an agreement has been terminated. We believe that this is not necessary.</p> <p>Clause 23.4 is covered earlier in response to the notices question.</p> | <p>Noted.</p> <p>Noted.</p> <p>The new clause protects the licence distributor from the cost of disestablishing a licence exempt network arrangement where the exempt distributors is unable to continue as a licence exempt distributor, outside of the control of the licence distributor.</p> <p>The working group feels that the clause maybe necessary where the exempt distributor fails in a way that does not lead to a continuance of the connection in its current commercial form,</p> |
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| | | <p>thereby generating costs of change and potentially the ending of the possibility of users connected to the exempt Network remaining connected. It is not reasonable for a licenced distributor to bear the liability arising from the licence exempts distributor being unable to persist.</p> <p>The last point was noted.</p> |
| Question Five | Cognisant of existing limitations of liability set out in sections 2 and 3 of the National Connection Terms do you have any comments on the limitation of liability proposed for private networks? | Working Group Comments |
| UK Power Networks | No. | |
| SP Manweb | | |

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| PLC & SP Distribution Ltd. | <p>With regards to Clause 15.2.4 - "where such incident or series of related incidents entitles the Customer Exempt Distributor to claim compensation from the Company under this Agreement and any other agreement"</p> <p>We are concerned if this enables an Exempt Distributor to claim compensation from the LDNO as we are only responsible to the Point of Connection, what happens after this boundary is not the LDNO's responsibility and we should not be held accountable by the Exempt Distributor.</p> | <p>Clause 15.2.4 applies to a claim that arises from an incident on the licence distributors network. The clause does not apply to incidents on the exempt distribution network and the licence distributor would generally not be liable for situations where the triggering incident was not on its network. This is a similar clause to what is contained in section 3 of the national terms of connections and equally to the section 3 of DCUSA where it covers distributor to distributor connection points.</p> |
| Forth Ports | n/a | |
| ENWL | <p>The limitation of liability reflected in section 2 and 3 should be reflected in section 5 i.e. if the private network connection is whole current it is classed as a small business operation and as such where there is a Settlement boundary meter they would be covered by section 2. Similarly if they have a</p> | <p>The liability set out in section 2 and section 3 will apply. The liability for section 2 would apply if the connection points were to be metered. The boundary cc metered or whole current</p> |

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| | private network that requires Settlement CT metering at the boundary, they are currently covered by Section 3, which has a liability of £1m. It therefore makes sense not to discriminate in this area and offer the same terms to the network operator as to the customer in such instances. | metered where it would be dependant upon use as defined by section 2. Consider consolidated comment no. 149 considering the legal text change. |
| Question Six | Do you have any comments on the proposed legal text? (As set out in Appendix B.) | Working Group Comments |
| UK Power Networks | <p>Section 1A</p> <p>We suggest the the new paragraph be moved to be the second sentence.</p> <p>We suggested some additional text of "References to premises or connections in this section 1 are to premises and connections to Licensed networks" or similar is added to make clearer the scope of the NTC application. Otherwise part C may need rewording.</p> <p>Change from "usual" to "which may be" not required as usual is applicable to the entirety of the National Terms of Connection.</p> <p>The next sentence after this could be changed to say the National Terms of Connection relate to licensed networks only and remove the reference</p> | <p>Section 1A -The working group reviewed the comments made and believe that the clause section 1A is correct. The movement suggested could cause an interpretation issue.</p> <p>The working group noted the comment and they are comfortable with the existing wording.</p> |

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| | <p>to premises.</p> <p>We suggest that the first paragraph below the two bullet points is changed to be as follows;</p> <p>"The National Terms of Connection set out the terms and conditions that the licensed network operator requires you to accept in return for maintaining the connection to its network."</p> <p>By not limiting the terms and conditions to connection to licensed distributors here there would be several other changes that we think would be required to compensate.</p> <p>Remove "and" from end of first bullet point.</p> <p>Section 1C</p> <p>The text needs to make clear that the NTC only binds a connectee for a connection to the licenced network operators system and in Clause C this then only binds the connectee in respect of only other direct connections to the licenced network operators system. The change is needed because some customers will have direct connections to exempt networks as well as direct connections to licenced networks so we need to</p> | <p>The working group agreed to delete "of the premises".</p> <p>The definition of the Network Operator means the licence distributor. With reference to the last point in deleting "and" this is in the correct form as far as DCUSA is concerned.</p> <p>The working group reviewed the comment and referred the comment back to clause A which covered the situation.</p> |
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| | <p>exclude the former.</p> <p>Section 1D</p> <p>We suggest that the text is re-ordered to make it all read better, for example starting with "Section 1 will apply unless otherwise stated in Part A,..." and the followed by "In addition Section 5 will apply if you're a licence exempt distributor EDNO or else one of 2,3, 4 will apply in these circumstances."</p> <p>The text "other than a connection to a license exempt distribution system" in each bullet is then not required.</p> <p>The final bullet in respect of EDNOs would need moving to not be a bullet point but to be a clarifying clause.</p> <p>Other changes are needed in respect of the Bullet regarding EDNOs as follows;</p> <p>"if the connection is to a licence exempt distribution system then" needs to be replaced with "If a licence exempt distribution system is connected then only....". This is to avoid the ambiguity with customers</p> | <p>Section 1D - The working group understood the desire for simplified grammar however the natural number ordering of the NTC sections naturally follows the higher volume, predominance, of parties other than licensed distributors and therefore the ordering of the wording. The working group feels it is already optimal.</p> <p>Section 1D-This was clarified under section A. The national terms of connection are applicable to such connections.</p> |
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| | <p>connected to an exempt network.</p> <p>In the text "Where the owner of the network ceases to be entitled to operate the network without holding an electricity distribution licence..." needs to be changed to "Where you cease to be entitled to operate the network without holding an electricity distribution licence..."</p> <p>In the final sentence replace "and act as a customer under section 3 of this NTC." with "and act as a customer under section 2 or section 3 of this NTC."</p> <p><u>Section 35</u></p> <p>Definitions</p> <p>"Connection Point"</p> <p>change to the following to make Clause 2 read properly</p> <p>"means <u>a</u> the point or points of connection at which electricity may (upon Energisation) flow between the Company's Distribution System and the Exempt Distributor's Distribution System, and is (subject to Clause 2.4) a reference to the point or points of connection at the Premises to which</p> | <p>The working group agrees to this change.</p> <p>The working group agrees with the final sentence replacement.</p> <p>The correction to the definition within clause 2 has been agreed by the working group.</p> <p>The working group agreed to delete the reference to clause 2.4.</p> |
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| | <p>this Agreement applies;</p> <p>"Customer" change last word from "operator" to "Supplier"</p> <p>"Metering System"</p> <p>needs to be changed to "...to the metering system or metering systems associated with the Connection Point..."</p> <p>Exempt Distributor's Distribution System</p> <p>We suggest that we change to the term "Exempt Distributor's System" throughout to avoid confusion and to make reading of the terms easier.</p> <p>Clause 2 Should "the connection" be "each connection"?. We suggest change to definition of Connection Point to address the issue.</p> <p>Clause 3.3 Settlement metering doesn't read well with the BSC definition of Settlement. Suggest "The right to be (and remain) Connected is conditional upon Settlement metering being in operation..." is changed to "The right to be (and remain) Connected is conditional upon metering installed for the</p> | <p>Change authorised Electricity operator to authorised Electricity Supplier as it is already a defined term within section 5.</p> <p>Metering System -This quote is consistent with section 3 and as such we would like to keep such a definition the same and consider it as a housekeeping change in the future.</p> <p>Exempt Distributor's System- The working group are agreed to make the change in section 5 within the legal text.</p> <p>The working group agreed to amend the wording of clause 2.1 and maintain the wording of clause 2.3.</p> <p>The working group agree on 3.3 being deleted.</p> |
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| | <p>purposes of Settlement and such metering being in operation...".</p> <p>Clause 4 Numbers go haywire but I will use the ones given in the document.</p> <p>First 4.1/5.1.11</p> <p>Generally this needs laying out better to differentiate more clearly between full settlement and difference metering. e.g conditional upon the requirements laid out in 4.1.1. and 4.1.4 and one of 4.1.2 or 4.1.3 being fulfilled. The clauses shown in the consultation 5.1.13 to 5.1.16 need indending to a lower level as (A) to (D).</p> <p>5.1.11 Suggest that "registered by the Company" is replaced by "assigned Meter Point Administration Numbers by the Company" throughout. Will need MPAN and Meter Point Administration Number adding.</p> <p>5.1.17 reference to "users" throughout document yet there is a definition of "Customer". I would avoid "user" due to confusion with use of system etc.</p> <p>5.1.17(A) Add "as is required by the BSC" to the</p> | <p>Clause 4- The working group agrees that the clause 4 structure is incorrect and it will be reviewed later on in the working group comments.</p> <p>The Working Group has amended the text to refer to the Meter Point Administration numbers the Meter Point refers to.</p> <p>The Working Group will use Customer where there is a reference to embedded meter points and user in other cases according to the context.</p> |
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| | <p>subclause to align with all other subclauses</p> <p>5.1.17(E) The License requirement for us to charge in accordance with approved methodologies, which can include capacity charges, means that we currently need to record capacity values of embedded customers. This probably needs to be explained in covering documentation to the DCUSA Panel, ie for necessity of compliance not as remit to acquire unnecessary information.</p> <p>5.1.17E reference at end of point to Clause 4.1.3.2 C needs correcting we believe.</p> <p>The paragraph after clause (E) is not numbered and starts with a lower case "where there is any Generating Equipment...". This section covers being or not being a party to CUSC and/or holding a generation licence but does not say what its got to do with these terms.</p> | <p>Updated.</p> <p>The Working Group agreed to remove the explicit references to the distribution licence and left in the obligation to convey the capacity information.</p> <p>The Working Group will review all clauses which have cross referencing so we can ensure all clause numbers that have cross referencing are correct.</p> <p>Working Group noted but the extent of peripheral clarification necessary needs to be considered as any licenced CUSC or Generator will be more knowledgeable of the industry and in reality with Grid requirements will have to be on a bilateral as standard.</p> |
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| | | <p>We feel the DCUSA Panel report needs to explain that in circumstances where the connectee is a CUSC or licence generator party than a bilateral connection agreement would be required, hence the condition to exclude the right to be connected or energised under section 5 if those conditions arise.</p> | |
| | 4.2 | Change to "Other than as set out in this Agreement the Exempt Distributor shall have no right:" | change made |
| | 5.1 | We would prefer to replace "to avoid the occurrence of" with "avoid the significant risk of occurrence of" at the ends of what should be 5.1.1 and 5.1.2. | change made |
| | 5.1 | Should the clause also have the option for the Exempt Distributor or user to immediately rectify the risk? In this situation it could be disconnecting one user within the Exempt Distributors Distribution System which would mean we don't need to disconnect the whole Exempt network. | <p>The Working Group believe its implicit that the Company would not effect de-energisation if there was opportunity and time for the Exempt Distributor to act and therefore no express change is required.</p> <p>The Working Group agrees that it can only be referring to the Connection Point and believe there is no need to change.</p> |
| | 5.2 | Need to specify it is the Registrant of the | Updated comment so that it is |

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| | | Connection Point in the first Suggest "...the Registrant of the Connection Point" in the relevant sentences. | conditional on the Re-energisation being undertaken for the party who requested the De-energisation. |
| | 5.8 | Do we need to expressly prohibit the Exempt distributor from re-energising the Connection Point, or prohibiting where the Registrant had instructed the de-energisation? | |
| | 7.3 | The final sentence needs rewording to clarify, as it is the users installations have an obligation to design and build the installations. Suggested "...such damage is attributable to the Exempt Distributor's and/or the users connected thereto ..." | Change made The Working Group would not agree. It is not the direct role of an exempt distributor to maintain other parties equipment beyond responding to advice of request for information that it feels is reasonable and appropriate to maintain safety and protect its own network |
| | 7.4 | An obligation on the Exempt Distributor to ensure that the users maintain their equipment should be added. The current wording only says they should maintain the users equipment so far as it is reasonably able. | 7.6 - Definition amended to address the issue. |
| | 7.6 | There can't be more than one Connection Point as defined, but we have suggested a change to the definition of Connection Point (currently | Amended as proposed. |

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| | plural) so that clause 7.6 remains correct as stated. | |
| 11.1 | The start of the clause needs to simply be "The Exempt Distributor shall procure..." and most of the new text removing, for the reason that the Company will still want access to its Connection Equipment even if the Connection Point itself is not settlement metered. Propose all new text before "The Exempt Distributor" is deleted. | |
| 14 | There is no option for the Company to decline the Modification. We feel that perhaps a reference to the Company's rights under the act to make an offer, i.e. s17 refusal on grounds of reasonableness ought to be added. | There is no need. An offer of modification of the Connection Point(s) is a statutory s16 matter and the offering of terms obligatory unless unreasonable under s17. If unreasonable then the statute nullifies the request subject to dispute. 14.5 deals with the matter of the exempt distributor assessing the likely impact. |
| 14.5 | There should be an obligation on the Exempt Distributor to ensure they take steps to ensure all required works are identified in case of any circumstances unknown or unforeseen by the Company. This would reduce any risk of damage for all parties. | This is a general problem and for sake of consistency probably needs to be addressed in separate housekeeping changes. |
| 20.1 | Force Majeure could be caused by banking systems | |

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| | which could result in a delay in receipt of cleared funds. This needs to be considered. | |
| SP Manweb PLC & SP Distribution Ltd. | No. | |
| Forth Ports | <p>(S.5.2 pg 24) - The registrant may seek to have the connection point de-energised - not clear if that is the registrant of the embedded meter(s) or the registrant of the connection point. Only the ENO can seek the de-energisation of the connection point. Requests for disconnection/de-energisation of an embedded connection to the ENO's network should be to the ENO (subject to the activation/de-activation of settlements information on the MPAN).</p> <p>(S.58 pg 26 - appears to be the same as above)</p> <p>(S5.11 pg 26) if an embedded metering point is drawing power without the agreement of the DNO, the DNO will seek financial redress from the ENO if it cannot obtain the monies from the embedded customer. My view is Boundary Charging resolves this issue.</p> | <p>Where the de-energisation is sought by the supplier registrant at the Connection Point and at Embedded Metering Points for its own reasons, breach, non-payment etc, it is the right of the registrant to instruct de-energisation though we would hope dialogue occurs with the ENO first the ENO has no entitlement to block or prevent such de-energisation.</p> <p>The counterparty is the ENO and it is with the ENO that the distributor agrees to devolve the measurement of electricity use of the ENO's network. Although</p> |

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| | <p>(S.11.2 pg 35) DNO shall at all times be given safe and unobstructed access to the ENO's distribution system at convenient times (except in emergency) - we cannot see why this is needed in an industrial network - we can understand it for an office block or a block of flats. - the clause on pg 36 will comply with all reasonable directions given by the ENO re safety and security is welcome and essential, but note that access may not be granted to the site.</p> <p>S15 is limitation of liability - pgs 41-45. At S.15.10 states that embedded customers cannot claim against the DNO and the ENO shall 'fully indemnify' the DNO against any such claim. We cannot see that the DNOs can have it both ways - the right to alter our and third party customer equipment, but not accept any consequential liability claims.</p> | <p>terms of use of system and illegal abstraction may apply it remains the case that the ENO is liable for the use of electricity within its network.</p> <p>11.2 - This applies for all types of Users who are connected to a Network where there is no metering of the Connection Point. The lack of connection point settlement metering makes the distributor's revenues fully dependent on embedded metering points. It should be noted in the case of Difference Metering, as is likely to be applied to dockyards for example, that clause 11.2 would not apply.15.10 - Claims should be from the customer to the ENO and if related to acts or omissions of the Distributor for the ENO to make its own claim of the</p> |
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| | | <p>distributor.</p> <p>The Working Group has removed the indemnity part of the clause.</p> |
| ENWL | <p>Yes, see attached document. (See ENWL legal text log below main table)</p> <p>Is THE CUSTOMER'S RIGHT TO BE (AND REMAIN) ENERGISED</p> <p>4.1 The Exempt Distributor's right to be (and remain) Energised is subject to the Company's right to De-energise the Connection Point in accordance with Clause 5, and is conditional upon:</p> <p>4.1.1 the Exempt Distributor having the ability to perform and comply with all of its obligations under this Agreement;</p> <p>4.1.2 the Exempt Distributor, Customer or an Electricity Supplier being registered, in accordance with the BSC, as responsible for any Metering System;</p> | <p>The Working Group have reviewed the comments related to clause 4 and whilst ENWL's comments are understood a redraft to simplify and correct the text layout, but not wholly aligned to the proposal have been made. These are explained below.</p> <p>noted</p> |

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| | <p>4.1.3 Metering being installed, and a Meter Operator Agent being appointed, in accordance with the requirements of the BSC at the Connection Point (where appropriate) and any Embedded Metering Points;</p> <p>4.1.4 The Exempt Distributor providing a detailed list of Embedded Metering Points connected to the Exempt Distributor's Distribution System;</p> <p>4.1.5 where there is any Generating Equipment within the Exempt Distributor's Distribution System, the Exempt Distributor (or, if the Exempt Distributor is not the owner or operator of the Generating Equipment, the owner or operator of the Generating Equipment):</p> <p><i>(A) not being within any category of person that is required in accordance with the provisions of the CUSC to be a party to the CUSC (or to be a party to any supplementary agreement under the CUSC); or</i></p> | <p>noted</p> <p>The Working Group believe that the text needs to expressly set out what is required if the Connection Point is not settlement metered. For this reason a simplification of text as an industry party would understand, would not be appropriate.</p> <p>Working Group added a new clause to reflect the intent of 4.1.4.</p> |
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| | <p><i>(B) (to the extent that it is within any such category) being a party to the CUSC (and/or to the relevant supplementary agreement under the CUSC); and</i></p> <p>4.1.6 where there is any Generating Equipment within the Exempt Distributor's Distribution System, the Exempt Distributor (or, if the Exempt Distributor is not the owner or operator of the Generating Equipment, the owner or operator of the Generating Equipment) holding a licence to generate electricity under section 6 of the Act, or being exempted from the requirement to hold such a licence under section 5 of the Act.</p> <p>4.2 The Exempt Distributor represents and undertakes to the Company that, at the date this Agreement comes into effect and for so long as it remains in effect, all of the conditions set out in Clause 4.1 are (and will remain) satisfied. The Exempt Distributor shall notify the Company as soon as reasonably practicable if any of the conditions in Clause 4.1 cease to be satisfied. The Exempt Distributor shall indemnify the</p> | |
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| | <p>Company against all actions, proceedings, claims or demands brought or threatened against the Company as a result of any of the conditions set out in Clause 4.1 not being (or ceasing to be) satisfied.</p> <p>4.3 This Agreement shall not give the Exempt Distributor any right to:</p> <p>4.3.1 receive a supply of electricity to the Exempt Distributor's Distribution System;</p> <p>4.3.2 sell electricity exported from the Exempt Distributor's Distribution System; and/or</p> <p>4.3.3 use the Company's Distribution System for the purposes of providing a supply of electricity (or to otherwise have electricity transported through the Company's Distribution System),</p> <p>and the Company therefore makes no warranty to the Exempt Distributor in relation thereto. Where the Exempt Distributor is not the</p> | <p>The Working Group are attempting to avoid the use of the term 'supply' as ongoing drafting departure from REC era terms. Note that the supply could be</p> |
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| | <p>Registrant, the Exempt Distributor must contract with the Registrant for the matters outlined in Clauses 4.3.1 and 4.3.2, and the Registrant will contract with the Company for the matters outlined in Clause 4.3.3. Where the Exempt Distributor is the Registrant, it must contract for the matters outlined in Clauses 4.3.1 and 4.3.2 pursuant to the BSC, and must contract separately with the Company for the matters outlined in Clause 4.3.3.</p> <p>4.4 When the Connection Point is Energised in accordance with this Agreement, the characteristics of any supply of electricity delivered at the Connection Point shall be subject to such variations as may be permitted by the Regulations. The Company does not guarantee that the supply of electricity will be free from transient variations in voltage and frequency or voltage pulses or harmonic frequencies, and the Customer must take its own protective measures if it requires a higher standard of supply.</p> | <p>internal to the exempt network so drafting needs to focus on the flow of electricity between the two systems.</p> |
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| Question Seven | Are there any other matters that should be considered by the Working Group? | |
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| UK Power Networks | No | |
| SP Manweb PLC & SP Distribution Ltd. | <p>The only consideration is that the NTC amendments appear to be drafted referencing Difference Metering.</p> <p>We are currently awaiting the Authority's decision on the most appropriate charging mechanism - Boundary Metering (Difference Metering Principles) or Customer Charging. Should Ofgem choose the Customer Charging methodology, we would need to review to ensure accuracy of drafting.</p> | <p>No, the drafting is also covering off, and mainly for, Full Settlements metering and to cover off liabilities and obligations that are slightly different for an exempt distributor as opposed to those in section 3. The drafting does not need wait for separate charging regime matters and is wholly independent of such activity.</p> |
| Forth Ports | n/a | |
| ENWL | Not at this time. | |

DCP124 Legal text comments log

| Ref. | Clause Number | Comment | Legal text amendment | Working Group Comments |
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| ENWL/01 | Schedule 2B, Section 1, D | <p>We query whether some private networks would actually be covered under section 2 as well as section 3 i.e. small business with whole current arrangements.</p> <p>We have attempted to make the sentence easier to read by not repeating the act twice.</p> | <p>Consider the following amendments:</p> <p>"if the connection is to a licence exempt distribution system then only section 5 will apply irrespective of the nature of or the presence of physical metering systems at the connection between the licence exempt distribution system and the network of the network operator. Where the owner of the network ceases to be entitled to operate the network without holding an electricity distribution licence in accordance with s5 of the Electricity Act as amended, this section 5 shall continue to apply until such time that they hold such a an electricity</p> | <p>The working group agrees in the main with the legal text change.</p> <p>Further amendments have been made to cater for 'you' and 'your' being used for consistency.</p> |

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| | | | distribution licence in accordance with s5 of the Electricity Act . Alternatively if you or ceases to act as a Distributor and act as a customer under section 2 or 3 of this NTC. | |
| ENWL/02 | Schedule 2B, Section 1, D | We query whether from "where the owner...." would be a better fit within the NTC section 5 under the termination clauses. There is conflicting clauses here and within the termination clause by inferring that we may disconnect rather than the terms living on and it only covers off the distribution licence and not also reverting to acting as the customer scenario. | Delete within schedule 2B, section 1, D the sentences starting from "where the owner....." And add under Section 5, Termination clauses the following by deleting the proposed clause 19.3 with: Where the Exempt Distributor ceases to be entitled to operate the Exempt Distributor's Distribution System without holding an electricity distribution licence in accordance with s5 of the Electricity Act as amended, this agreement shall continue until such time that a licence has been | This clause is to be replicated in section 1 and section 5. The working group agreed to replace 19.3 with the proposed text. |

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| | | | <p>granted. Once granted this agreement will be terminated.</p> <p>Add in a new clause 19.4 after the new 19.3:</p> <p>Where the Exempt Distributor ceases to operate the Exempt Distributor's Distribution System as an Exempt Distributor's Distribution System this agreement will be terminated and sections 2 or sections 3 of the NTC apply as is appropriate.</p> <p>The rest of the clauses under 19 will need to be renumbered.</p> | The working group agreed to input the highlighted text. |
| ENWL/03 | Schedule 2B Section 5 Para 1.1 | Connection Point Reference to clause 2.54 within the definition is no longer required since such a clause has been deleted from this section 5. | Delete the reference "(subject to clause 2.4)". | Agree to delete. |
| ENWL/04 | Schedule 2B Section 5 | Customer Use of authorised electricity operator - why | Customer " means the person, other than the Company, to whom this Agreement applies; but which may | Replace with Electricity Supplier. |

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| | Para 1.1 | are we using this term which is not defined. Only other use of the term is within 5.1.16. If we mean Electricity Supplier, which is a defined term, we should use it instead. | be the Exempt Distributor, who causes a flow of electricity through a Metering System at the Connection Point or an Embedded Metering Point for the purposes of buying from or selling electricity to an Electricity Supplier authorised electricity operator ; | |
| | Schedule 2B Section 5 Para 1.1 | Unmetered Supplies Operator We should not allow any unmetered supplies to be part of any non metered connection points | Please delete | The working group agrees to retain. It is no different to a distributor arrangement within DCUSA. |
| ENWL/05 | Schedule 2B Section 5 Para 1.2 | All the sub paragraph numbers are incorrect. | Para 5.1.1 should be 1.2.1 and so forth throughout this paragraph. | Agreed Will be reformatted. |
| ENWL/06 | Schedule 2B Section 5 Para 5.1.3 | The reference to section 3 should be section 5. | As per the comment | Agreed and changed |
| ENWL/07 | Schedule 2B Section 5 | We don't believe that we have a right to refuse a | Please delete | in the circumstance of full settlements |

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| | Para 3.3 | connection based on this clause. This is more to do with a right to be and remain energised which is covered off in the next section in any case. | | metering there is less distinction between connection and energisation. It's possible to remove but want to talk through. |
| ENWL/08 | Schedule 2B Section 5 Para 4 | The clause numbers have gone astray here, The comments below refer to the clauses contained within the drafting and not what the actual clause number will be in order to understand what each is referring to. | 5.1.9 should be 4.1.1 5.1.10 should be 4.1.2 5.1.11 should be 4.1.3 5.1.12 should be 4.1.4 5.1.13 should be A) 5.1.14 should be B) 5.1.15 should be C) 5.1.16 should be D) 5.1.17 should be 4.1.5 Where there is any generating... should be numbered 4.1.6 5.1.18 should be A) 5.1.19 should be B) 5.1.20 should be 4.1.7 4.1 should be 4.2 | Working Group noted and this will be reformatted. |

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| | | | <p>4.2 should be 4.3</p> <p>5.1.21 should be 4.3.1</p> <p>5.1.22 should be 4.3.2</p> <p>5.1.23 should be 4.3.3</p> <p>4.3 should be 4.4</p> <p>4.4 should be 4.5</p> | |
| ENWL/09 | <p>Schedule 2B</p> <p>Section 5</p> <p>Para 5.1.10</p> | <p>In section 3 the customer can be responsible for the metering and as such could still be responsible for the metering at the embedded metering point yet we have deleted customer in preference of the exempt distributor when it should be both.</p> <p>Also please note that any reference to Connection Point and Embedded Metering Points are contained under the definition of Metering</p> | <p>Add in Customer.</p> <p>Revert to Metering System and delete the words thereafter.</p> | <p>The Working Group agreed to add Customer back in.Updated.</p> <p>The Working Group Amended to Metering System</p> |

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| | | System so we cannot understand why we change to Metering, especially when Metering in its definition is only relevant to the Connection Point. | | |
| ENWL/10 | Schedule 2B Section 5 Para 5.1.11 | This clause should be left to just metering being installed since most of what follows is introduced by 5.1.12 | "the Connection Point being and remaining registered by the Company as a Settlement metering point and Metering being installed, and a Meter Operator Agent being appointed, in accordance with the requirements of the BSC at the Connection Point only or otherwise at the Connection Point and the relevant Embedded Metering Points as is applicable to the following circumstances | This section has been reviewed by the Working Group in line with ENWL's section 4 and the alignments have been made accordingly. It is important first and foremost that settlement metering points are registered and maintained and the presence of Metering is an important secondary factor. |
| ENWL/11 | Schedule 2B | I cannot understand this | Consider deleting | This section has |

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| | Section 5 Para 5.1.13 | because it is already covered under the supplier being registered and having meters installed earlier in this clause. (5.1.10) Also the company is not registered, the supplier is. | | been redrafted |
| ENWL/12 | Schedule 2B Section 5 Para 5.1.14 | I cannot understand this because it is already covered under the supplier being registered and having meters installed earlier in this clause. (5.1.10) Also the company is not registered the supplier is. | Consider deleting | This section is being redrafted. |
| ENWL/13 | Schedule 2B Section 5 Para 5.1.14 | If retained consider deleting 'relevant users' from the clause. If decided to retain consider replacing with | For discussion | Changed as proposed |

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| | | 'Customer's' since this definition refers to 'Embedded Metering Points', otherwise why have a definition of 'Customer'. | | |
| ENWL/14 | Schedule 2B Section 5 Para 5.1.15 | I cannot understand this because it is already covered under the supplier being registered and having meters installed earlier in this clause. (5.1.11) | Consider deleting | Redrafted to separate out the following; Registration Appointments Metering Systems |
| ENWL/15 | Schedule 2B Section 5 Para 5.1.15 | If retained consider deleting 'relevant users' from the clause. It avoids complications for understanding of what a user is in this context. If decided to retain consider Customer. | For discussion | Redrafted as proposed |
| ENWL/16 | Schedule 2B Section 5 Para 5.1.16 | References to 'authorised electricity operator' replace with 'Electricity | As indicated in the comment. | Redrafted as proposed |

| | | Supplier' | | |
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| ENWL/17 | Schedule 2B Section 5 Para 5.1.16 | Difference metering - We can't understand why this particular clause is needed since the supplier would be in breach of the BSC by not doing so, so what value is it here? From our perspective, we have this covered by a boundary settlement arrangement so we do not need to enforce such a requirement. | Consider deleting | The Working Group believe there is an obligation on the Exempt Distributor to make sure arrangements are correct and it's not sufficient to rely wholly on the electricity Supplier. |
| ENWL/18 | Schedule 2B Section 5 Para 5.1.12 through to 16 | Having reviewed the above, we need to consider whether there is a need at all for any of these clauses. | For discussion | The Working Group believe it is important to make clear to the Exempt Distributor their obligations without them having to go and read another document. Were it for suppliers only |

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| | | | | then we agree but there is a need to simplify obligations and put it in one place. |
| ENWL/19 | Schedule 2B Section 5 Para 5.1.17 | In this context it may be better to refer to 'Customers' rather than 'users'. | As per the comment | Customer's utilized only in relation to Embedded Metering Points but in general to "User's". |
| ENWL/20 | Schedule 2B Section 5 Para 5.1.17A | We have reference to Company being registered when it should be the Supplier, and users who are Customers. This should be amended. Also is this not covered off by 5.1.10 since 'Settlement metering points' should be 'Embedded Metering Points' | Consider deleting | Redrafted as proposed. |
| ENWL/21 | Schedule 2B Section 5 Para 5.1.17B | The only difference between A and B is the reference to the BSC which | Please delete | The Working Group agreed to amalgamate A and B in to one. |

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| | | for completeness is covered under 5.1.10 in any case. | | |
| ENWL/22 | Schedule 2B Section 5 Para 5.1.17C | <p>The first part of C is already covered earlier under clause 5.1.11.</p> <p>Regarding the second part, we cannot foresee any unmetered supply falling out of a private network. We should insist on a landlord's metered supply. However if they did exist as part of a larger scheme we would rather they keep a boundary meter for such instances i.e. not agree to a non metered installation.</p> | Please delete | The Working Group cannot preclude UMCs on Full Settlements metered premises, indeed it would be a restriction on competition given that it's acceptable for very small inventories to be held by, for example, parish councils. |
| ENWL/23 | Schedule 2B Section 5 Para 5.1.17D | Rights of access - this is covered later in the agreement under access clause 11.2 | Please delete | This is in the place relating to right to be energized, as opposed to a general right of access. |

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| | | | | Both are required. |
| | <p>Schedule 2B</p> <p>Section 5</p> <p>Para 5.1.17E</p> | <p>First part - notification of capacity</p> <p>As indicated in our consultation response. This is about receiving notification, where full settlement metering is installed of the capacity value, and when changed what the new values will be, for HH customers on a private network.</p> <p>There is a reference that this is required in order to comply with our Distribution Licence. We are not sure whether this is valid.</p> <p>As per the current charging methodology it really doesn't matter what the capacity is since we charge both the capacity</p> | <p>Delete</p> <p>Delete</p> | <p>The Working Group will seek a legal point of view against what we can cover off against a National Use of Connection perspective. This is a potentially contentious issue and we would need to seek legal advice and Ofgem guidance. Reworded to "... approved use of system charging regime..."</p> <p>Discrimination may arise in respect of underutilized connections where a private network</p> |

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| | | <p>and exceeded capacity at the same rate. Our concern should be that the capacity at the boundary is not exceeded. Until this issue is resolved we believe that this clause is not required.</p> <p>Second part - indemnity - see consultation response. It is covered by what should be clause 4.2</p> | | <p>without competition is charged at the contracted capacity at the boundary Connection Point but a private network subject to Full Settlements would only be charged according to peak usage and yet expect the same guarantee of power provision.</p> <p>The provision of capacity information remains relevant whilst capacity charge remains a feature of use of system charging.</p> |
| ENWL/24 | <p>Schedule 2B</p> <p>Section 5</p> <p>Para 4.1</p> | <p>We believe that on non metered connection points the exempt distributor</p> | <p>provide a detailed list of Embedded Metering Points connected to the Exempt</p> | <p>The Working Group have added a new clause to cover the</p> |

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| | | should provide details of all Embedded Metering Points connected to their network. | Distributor's Distribution System | operation. |
| ENWL/25 | Schedule 2B Section 5 Where there is Generating Equipment | This can be made simpler because all we need to know is what generating equipment is within the exempt distributor's distribution system. | where there is any Generating Equipment connected directly to or indirectly from within the Exempt Distributor's Distribution System or connected from any Embedded Metering Point within the Exempt Distributor's Distribution System, the Exempt Distributor (or, if the Exempt Distributor is not the owner or operator of the Generating Equipment, the owner or operator of the Generating Equipment) | Redrafted |
| ENWL/26 | Schedule 2B Section 5 Para 5.1.17E | Sub paragraphs need renumbering | As suggested in the comments section. | Will be redrafted once numbering formatting style is corrected. |
| ENWL/27 | Schedule 2B Section 5 Para 5.1.17E | This can be made simpler | where there is any Generating Equipment connected directly to or indirectly from within the | Redrafted |

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| | 5.1.20 | | Exempt Distributor's Distribution System or connected from any Embedded Metering Point within the Exempt Distributor's Distribution System , the Exempt Distributor (or, if the Exempt Distributor is not the owner or operator of the Generating Equipment, the owner or operator of the Generating Equipment) holding a licence to generate electricity under section 6 of the Act, or being exempted from the requirement to hold such a licence under section 5 of the Act. | |
| ENWL/28 | Schedule 2B Section 5 Para 4.2 | Sub clauses need renumbering and cross reference clauses need checking. | As per the comment made | Noted |
| ENWL/29 | Schedule 2B Section 5 Para 4.4 | We believe that there is no need for this clause. It is clear that it is only concerned with the | Consider deleting. | The wording that follows clause 20 |

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| | | characteristics at the connection point as stated at the end of this section. Similarly this is also repeated at the end of this document and is superfluous. | | already covers this issue. The Working Group agreed to delete clause 4.4. |
| ENWL/30 | Schedule 2B Section 5 Para 5.11 | We think 'user' in this instances could be 'Customer' | As per the comment | Redrafted |
| ENWL/31 | Schedule 2B Section 5 Para 7.1 | Why is this being extended to include the installations of the user. This is for the exempt distributor to be concerned about and not us. We will be covered by the first part since whatever impact the customer installation will have will also have a bearing on the exempt distributor installation so we will already be | Consider deleting. | A slight amendment by deletion "or user" on final sentence. The exempt distributor does have obligations under the Regulations in respect of customers connected to its system. |

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| | | protected. | | |
| ENWL/32 | Schedule 2B Section 5 Para 7.2 | This is the same issue as 7.1 | Consider deleting. | The Working Group believes that this provides further clarification regarding user installations connected to the exempt distributor. Similar to those contained in section 3. |
| ENWL/33 | Schedule 2B Section 5 Para 7.3 | This is the same issue as 7.1 | Consider deleting. | The Working Group believes that this provides further clarification regarding user installations connected to the exempt distributor. Similar to those contained in section 3. |

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| ENWL/34 | Schedule 2B Section 5 Para 7.4 | This is the same issue as 7.1 | Consider deleting. | The Working Group believes that this provides further clarification regarding user installations connected to the exempt distributor. Similar to those contained in section 3. |
| ENWL/35 | Schedule 2B Section 5 Para 7.5 | This is the same issue as 7.1 | Consider deleting. | The Working Group believes that this provides further clarification regarding user installations connected to the exempt distributor. Similar to those contained in section 3. |
| ENWL/36 | Schedule 2B Section 5 | There is a need for a space between 28 and days | As per the comment | Corrected |

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| | Para 7.7 | | | |
| ENWL/37 | Schedule 2B Section 5 Para 7.9 | We don't need users installations, because the clause says connected to the exempt distributor's network, so this would include both instances. | Delete such a reference | Corrected |
| ENWL/38 | Schedule 2B Section 5 Para 8.2 | We believe that this should be just at the connection point. By comparing the connection point data with that of embedded metering points should be suffice to identify any 'lost' units. | For discussion | We have ongoing revenue protection considerations in the context of Full Settlements which may require us evidentially to prove illegal abstraction including by the Exempt Distributor themselves. |
| ENWL/39 | Schedule 2B Section 5 Para 8.3 | The addition of user's installations is not required. By default it is covered off since the exempt distributor system | Delete such a reference | Corrected in line with proposal |

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| | | would be impacted by them should they allow for such instances to occur? | | |
| ENWL/40 | Schedule 2B Section 5 Para 9.5 | We need to amend this clause to consider whole current connection points and CT meter connection points with differing liabilities applying. | £100,000 for whole current and £1,000,000 for CT metered Connection Points. | Proposed change made. |
| ENWL/41 | Schedule 2B Section 5 Para 10.2 | We make reference to Metering Equipment but this term as been deleted from the definitions section. | Replace with Connection Point Metering Equipment. | Proposed change made. |
| ENWL/42 | Schedule 2B Section 5 Para 10.2 | We also cannot understand why 'or' has been deleted, since 'Monitoring Equipment' is not always installed. | Please revert and retain 'or'. | Corrected |

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| ENWL/43 | Schedule 2B Section 5 Para 14.11 | We have no obligations or agreements in place with the user who is connected to the exempt distribution system and as such it should not be covered here. | Delete | Amended. We are protected from claims arising from User's under other clauses. |
| ENWL/44 | Schedule 2B Section 5 Para 15.2.4 | Liability needs to be based on assets at the connection point as stated in ENWL/39 | £100,000 for whole current and £1,000,000 for CT metered Connection Points. | Done, now aligned with s2 and s3 as appropriate. |
| ENWL/45 | Schedule 2B Section 5 Para 15.3 | Why has 'fraudulent misrepresentation' been included? This is not section 3 | Please delete. | This is newer standard legal drafting. The Working Group agreed for it to be left for housekeeping. |
| ENWL/46 | Schedule 2B Section 5 Para 15.11 | This is covered off under section 2. If we state that they will be liable to section 5 then they are then tied into the liabilities and indemnities associated | Please delete. | The reference to section 2 is no longer applicable since it has been deleted in preference of changing it in |

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| | | with section 5 even if they should be subject to other terms. | | section 5 paragraph 15. |
| ENWL/47 | Schedule 2B Section 5 Para 19.1 | There is no need to replace 'Connection Point' since the definition explains that it is the point of connection of the exempt distributors distribution system to the company's distribution system | Please revert the text. | Redrafted as proposed |
| ENWL/48 | Schedule 2B Section 5 Para 19.3 | This seems at odds with the section 2 inclusion. Why would we terminate this agreement until the exempt distributor becomes a licensed distributor? | Please delete, see earlier comment in this area. | The Working Group has amended this area so that this clause can be deleted and put references to the alternative arrangements that would need to be put in place before such a termination. |

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| ENWL/49 | Schedule 2B Section 5 Para 19.8.1 | We believe this is not necessary. We do not have such an indemnity with licensed distributors, why should we have this here | Please delete. | Another Electricity Distribution licence holder provides a buffer by statute whereas an exempt distributor does not and is more likely to resort to the courts. |
| ENWL/50 | Schedule 2B Section 5 Supply characteristics | Consider deleting, it is superfluous. We have indicated what they will be at the Connection Point. | Please delete. | This is the only place in section where these are stated. |