

DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to dcusa@electralink.co.uk for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

- PART A – Mandatory for all Change Proposals
- PART B – Mandatory for Non Charging Methodologies Proposals
- PART C – Mandatory for Charging Methodologies Proposals
- PART D – Guidance Notes

PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard / Urgent
CP Number	DCP 181
Date of submission	17/06/2013
Attachments	none
Originator Details	
Company Name	Eastern Power Networks plc
Originator Name	Peter Waymont
Category	DG / DNO / IDNO / OTSO / SUPPLIER / OTHER
Email Address	Peter.waymont@ukpowernetworks.co.uk
Phone Number	07875112757
Change Proposal Details	
CP Title	Previous Connection Terms Enduring
Impacted parties	DNO/IDNO
Impacted Clause(s)	Schedule 2B
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	none
Change Proposal Intent	
<p>Where a distributor has agreed a bi-lateral connection agreement with an owner or occupier in respect of a connection point, those terms should bind on change of ownership or occupation.</p> <p>Note that it is not intended that the new owner or occupier replaces the previous one. The new owner or occupier should be bound by the same terms from the time he becomes the owner or occupier but the previous owner or occupier should not be released from them for the period during which he was the owner or occupier.</p>	
Business Justification and Market Benefits	
<p>The nature of the connections to distribution systems is becoming more bespoke as products are offered to customers that help with efficiency of the network or promote greener ways of working.</p> <p>Many such products might lead to the need for a bespoke connection agreement, for example if the customer has agreed to be constrained, if unusual technical characteristics apply, if the customer has agreed to avoid certain times of use etc.</p> <p>At present if the customer who has agreed such non-standard terms sells or moves out of the property, the incoming owner or occupier defaults to the NTC. This means he is not bound by such</p>	

non-standard terms. Consequently he could behave in a way that the network is not designed to facilitate.

One way in which such terms could be made to prevail is for the distributor to take an interest in the land upon which the connection is provided (transfer or lease of sub-station or an easement that contains an obligation on the owner not to dispose of any interest in the land or part with or share occupation of the land without having procured a new connection agreement from the in-coming disponent of the relevant interest), coupled with a restriction noted in the proprietorship of the title out of which the DNO's substation/easement is carved, prohibiting the Land Registrar from registering any disposition without first having received a certificate from, for example the DNO's Company Solicitor or Secretary confirming that the disponent of the land has signed a connection agreement in a form which will bind it to the obligations undertaken by the first connectee in the bi-lateral connection agreement. This is a recognised method of ensuring that positive obligations run with land. This is time consuming and expensive to implement.

However, UK Power Networks believes that a more efficient way of achieving the same outcome is to provide in the NTC that the terms of the connection agreement will bind on change of ownership or occupation, until varied.

The Electricity Act provides for the making of a new connection at s16 and s21 allows the distributor to require the person requesting the connection to accept certain restrictions and terms and conditions. However, s16(4) provides that any reference in s16-23 to making a connection shall include a reference to maintaining a connection. In previous industry groups this has been interpreted, and legal advice has supported, that this means that on change of ownership the rights to capacity are maintained. Thus the need to apply for capacity (a "new" connection) every time there is a change of ownership is removed. However, if the capacity (the connection) is required to be maintained, then any restrictions or terms and conditions associated with it should similarly be maintained and s16(4) would appear to support that by referencing clauses that include s21 – hence the distributor may require restrictions or terms and conditions in return for maintaining the connection.

Thus the existing benefits, obligations and rights of any subsequent owner and occupier are protected while equitably ensuring the users of a connection to a premises continue to utilise the connection within the parameters for which it has been designed or accepted to be utilised, protecting the existing benefits, obligations and rights of the distributor.

It is noted that the distributor would have to make any such terms available on request by the new owner or occupier.

Proposed Solution and Draft Legal Text

Amend Schedule 2B as follows;

SCHEDULE 2B – NATIONAL TERMS OF CONNECTION

SECTION 1

A. ***Introduction:*** The electricity that is supplied to, or exported from, the premises is conveyed using the network of the network operator. In order that electricity can be supplied to, or exported from, the premises, there must be both:

- a connection agreement with the network operator to maintain the connection to its network; and
- arrangements for the supply, or export, of electricity (usually with an electricity supplier).

The National Terms of Connection set out the terms and conditions that the network operator requires you to accept in return for maintaining the connection of the premises to its network.

B. ***Application to you and the premises:*** These terms may apply to you in one of two ways:

- If you have entered into a contract with your electricity supplier for the supply of electricity to, or the export of electricity from, a particular premises, you will also have agreed with the network operator to accept these terms in respect of those premises. This is because your electricity supplier has been appointed as the agent of the network operator to make such an agreement.
- If you have not entered into any contract with your network operator in respect of a particular premise, but you are either the owner or occupier (or both the owner and occupier) of those premises, you are required to accept these terms pursuant to section 21 of the Electricity Act 1989 (and you will be taken to have accepted these terms unless and until your premises are permanently disconnected from the network or you agree different terms with your network operator).

C. ***Application to other premises:*** If the National Terms of Connection apply to you and a particular premises in accordance with the first bullet point of paragraph B above, you also agree that the National Terms of Connection apply to any other connection of any other premises of which you are the owner or the occupier (or both the owner and the occupier).

D. ***Application of sections 2, 3 & 4:*** The National Terms of Connection contain 4 sections. This section 1 will always apply to you and the premises. In addition, one of section 2, 3 or 4 will also apply to you and the premises, depending on the physical nature of the connection at the premises:

- if the connection is metered directly by putting the full electrical current through the meter (known as ‘whole current metering’), section 2 will apply (this is usually the case with domestic properties and small industrial and commercial properties);
- if the connection is metered indirectly by using current transformers to induce a reference current which is then put through the meter (known as ‘C/T metering’), section 3 will apply (this is usually the case with large industrial and commercial properties); or
- if the network operator has agreed that the connection need not be metered (known as ‘unmetered supply’), section 4 will apply (this is usually the case with street lighting).

If you are not sure which of sections 2, 3, or 4 applies to the premises, or have any other questions about the National Terms of Connection, you should contact the network operator. Contact details are available from the Energy Networks Association (telephone 0207 706 5137) or at www.connectionterms.co.uk.

E. ***Duration and replacement terms:*** If the National Terms of Connection take effect under the first bullet point of paragraph B above, they will apply in respect of the premises from the time that the contract with your electricity supplier takes effect, and will continue (even if that contract ends) until either:

- another connection agreement takes effect in respect of the premises pursuant to another contract with an electricity supplier for the supply of electricity to, or the export of electricity from, the premises (as applicable); or
- the application of the National Terms of Connection is terminated, or otherwise ends, in accordance with section 2, 3 or 4 (as applicable), including where you agree a replacement agreement with the network operator.

F. ***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 ~~the Electricity Act 1989~~~~statute~~ or pursuant to a contract with an electricity supplier, or ~~of~~ which an electricity supplier procured your acceptance ~~of~~) ~~by whom so ever agreed, under which connection of premises owned, occupied or used by you to the network continues to be provided bind you as if you had been a party to those terms and conditions as varied in accordance with them, and not will apply instead of~~ the National Terms of Connection to the extent that the ~~two~~ National Terms of Connection are inconsistent with the existing terms and conditions. Request may be made to the network operator for information about any existing terms and conditions

G. **Interpretation:** In this section, the term “premises” includes any land, building, structure or electrical installation, and is a reference to the premises to which these terms apply; the term “network” means, for each connection at the premises, the licensed electricity distribution network through which electricity is conveyed to, and from, that connection; and the term “network operator” means the licensed electricity distributor for the network.

Proposed Implementation Date

First release after approval.

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

- BSC
- CUSC
- Grid Code
- MRA
- Other
- None

If other please specify

Consideration of Wider Industry Impacts

None

Environmental Impact

None

Confidentiality
None

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives

General Objectives:

Please tick the relevant boxes. [See Guidance Note 9]

- 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.

Rationale for better facilitation of the DCUSA Objectives identified above

Objective 1 is achieved because the risk of reinforcement due to a customer not being bound by previous terms is avoided.

Objective 2 is achieved because generators may require, and increasingly so for larger LV and higher voltage generators, the types of connection that have non-standard terms and the alternative of registering interests with the Land Registry would take time and greater expense as part of the connection process to achieve the same outcome. The proposed solution therefore leads to greater efficiency and hence promotes competition.

PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Charging Objectives

Please tick the relevant boxes. [See Guidance Note 11]

Charging 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 Clauses 3.2.1 to 3.2.3, the Charging Methodologies, 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.

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Rationale for better facilitation of the DCUSA Objectives identified above

[See Guidance Note 10]

Charging Objectives:

General Objectives:

Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. www.dcusa.co.uk

Ref	Data Field	Guidance
1	Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	Part 1 / Part 2 Matter	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
3	Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	Proposed Solution and Draft Legal Text	<p>Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions. The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting).</p>
5	Proposed Implementation Date	The Change can be implemented in February, June, and November of each year.
6	Consideration of Wider Industry Impacts	Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.
7	Environmental Impact	Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see Ofgem Guidance .
8	Confidentiality	Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem
9	DCUSA General Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
10	Rationale for DCUSA	Provide supporting reasons and information (including any

	Objectives	initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.
11	DCUSA Charging Objectives	Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.