



DCUSA CHANGE REPORT

DCP 176 - Housekeeping Change for Disconnection Definition

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 176 'Housekeeping Change for Disconnection Definition'. The voting process for the proposed variation and the timetable for the progression of the Change Proposal (CP) through the DCUSA Change Control Process are set out in this document.
- 1.2 Parties are invited to consider the proposed amendment (Attachment B) and submit their votes using the Voting form (Attachment E) to dcusa@electralink.co.uk by **7 March 2014**.

2 BACKGROUND

- 2.1 DCP 176 was raised by UK Power Networks and seeks to correct the definition of Disconnection so it is the same for section A and section B of the DCUSA.
- 2.2 It is explained by the Proposer that this anomaly was introduced by the Green Deal changes. As such it would be preferable to discuss with DCUSA lawyers which of the proposed options is best to proceed.

3 DCUSA PANEL ASSESSMENT OF DCP 176

- 3.1 When DCP 176 was raised and sent to the DCUSA Panel for Initial Assessment, the majority of the Panel members were in agreement that a Working Group should not be convened for the CP since it was considered to be a housekeeping change and did not require further development or analysis – apart from the choice of which version of legal text to progress for which a consultation was issued.
- 3.2 The DCUSA Panel issued a consultation to industry parties on 21 August 2013. The consultation received responses from Suppliers and DNOs, and two respondents flagged additional issues that they considered would require additional assessment work. The DCUSA Panel agreed with this assessment and decided to convene a Working Group to further analyse and develop the CP as a result of these comments. The first DCP 176 consultation and collated responses are included with this document as Attachment C.

4 CONSULTATION RESPONSES – AUGUST 2013

- 4.1 The DCUSA Panel carried out a consultation to give DCUSA Parties an opportunity to review and comment on DCP 176.

4.2 There were 9 responses received to the consultation from DNOs and Suppliers. The Working Group discussed each response and its comments are summarised alongside the collated Consultation responses in Attachment C.

4.3 A summary of the responses received, and the Working Group's conclusions are set out below:

Question 1 - Do you agree with the intent of DCP 176?

4.4 The DCUSA Panel noted that all respondents agreed with the intent of DCP 176.

Respondent Type	Do you agree with the intent of DCP 176?		
	Yes	No	Total
DNO	4	0	4
Supplier	5	0	5
Total	9	0	9

4.5 It was noted by a Supplier Party that although they agree with the intent and believe that the two clauses should be the same, they felt that the intent should be wider to discuss whether either option is correct.

4.6 A DNO Party also explained that they agreed with the intent insofar as it is limited to the two options available. They further explained that if there is any attempt to broaden its intent they suggested that the Panel consider setting up a working group.

Question 2 - Do you agree with the principles of DCP 176?

4.7 The DCUSA Panel noted that the overall majority of respondents to the consultation were supportive of the principles of the CP. The following table provides a break down by respondent type.

Respondent Type	Are you supportive of the principles of the CP?		
	Yes	No	Total
DNO	4	0	5
Supplier	4	1	5
Total	8	1	9

4.8 The Working Group noted that one Supplier Party explained that they partially agree, but the definitions of disconnection and de-energisation are still unclear.

Question 3 - Do you feel that DCP 176 better facilitates any of the DCUSA General Objectives? The Panel have evaluated the CP against all the General Objectives and agree that DCUSA General Objective 4 is better facilitated. Please provide supporting comments about this and any other DCUSA Objective you feel that this CP will impact.

4.9 The DCUSA Panel noted that the overall majority of respondents agreed with the DCUSA Panel's assessment that DCUSA General Objective 4¹ is better facilitated by this CP.

4.10 The following table outlines the respondents' views on which DCUSA Objectives are better facilitated by the CP:

DCUSA General Objectives	Number of Respondents that agree it is better facilitated	Number of Respondents that did not agree it is better facilitated
Objective 1	0	0
Objective 2	0	0
Objective 3	0	0
Objective 4	8	1
Objective 5	0	0

4.11 One Supplier Party disagreed with this assessment and explained that DCP 176 does not address the fundamental issue that the definitions are weak and can still be interpreted either way to suit a particular Party's needs.

Question 4 - Which version of the proposed legal text you would like to see progressed, Option 1 or Option 2?

4.12 The DCUSA Panel noted that the majority of respondents, 7 of 9, preferred Option 1 of the legal text.

Respondent Type	Which version of legal text would you like to see progressed?		
	Option 1	Option 2	Neither
DNO	3	1	0
Supplier	4	0	1
Total	7	1	1

4.13 However, one Supplier and one DNO offered further comments. It was explained by one Supplier Party that they preferred neither option. They highlighted that in their opinion, both options are too weak and the definitions need looking at in the light of the way 'disconnection' and 'de-energisation' are used throughout the document.

4.14 A DNO Party explained their decision is based on the history of this change proposal and

¹ The promotion of efficiency in the implementation and administration of this Agreement

what should have been delivered during the introduction of the Green Deal. DCP012 introduced the definition of Disconnect (01/04/2009), which at the time was specific to Section 2B. This definition then and now stated that it was “to permanently De-energise.”

- 4.15 They noted that the Green Deal change proposal introduced by DECC via the DCUSA Panel used an incorrect starting point in that it used “to permanently disconnect” (as per the legal text on the website when this was introduced on 24/01/2013). Disconnect means:

(a) in respect of Section 2A, to permanently disconnect a Metering Point or Metering System by the removal of all or part of the Company’s equipment associated with the connection of such Metering Point or Metering System; or

(b) in respect of Section 2B, to permanently disconnect a Connection Point by the removal of all or part of the Company’s Connection Equipment and Connection Assets.

- 4.16 It was highlighted that in their view, when the change was applied the existing definition remained apart from the introduction.

- 4.17 It is their view that if the correct definition was used, Section 2A would have referred to “permanently De-energise”. It was explained that if the Panel go with permanently disconnect, it raises the question what is a non-permanent disconnection. They explained that they would suspect it is a De-energisation but that is not stated in the definition of that term. In summary, they noted that both options are valid but would prefer to go with permanently De-energise since this term has been approved by the Industry and Ofgem as part of DCP012; rather than a definition that is based on an inaccurate starting position.

- 4.18 The DCUSA Panel noted both the responses and agreed that further assessment would be required and should be part of a future Working Group.

Question 5 - Do you have any other comments on either variation of the proposed legal drafting of DCP 176?

- 4.19 The DCUSA Panel noted that the majority of respondents did not have any further comments regarding the proposed variations.

- 4.20 One DNO Party noted that De-energisation is a specific defined term which relates to an action which is temporary and can be reversed. De-energisation can be undertaken by third parties such as MOPs and also includes temporary physical disconnections by the Distribution Business, for example, by cutting the service cable outside of the premises as a

temporary but reversible safety measure (full rights to connection and capacity retained by the customer).

- 4.21 They further explained that in contrast, as a capitalised term and as a legally final and definitive act, Disconnection is a permanent irreversible action which can only be undertaken by the Distribution Business as the asset owner after which all rights to connection and the related capacity are relinquished by the customer. They further note that on reflection they feel that “De-energise” is therefore an inappropriate term to use in this context.

Question 6 - Are you aware of any wider industry developments that may impact upon or be impacted by this CP? If so, please give details, and comment on whether the benefit of the change may outweigh the potential impact and whether the duration of the change is likely to be limited?

- 4.22 The DCUSA Panel noted that the majority of respondents were not aware of any industry developments that may be impacted or be impacted upon by this CP.
- 4.23 One Supplier Party noted that, in their opinion, these definitions have far reaching consequences and as such proper consideration should be given to them.
- 4.24 A DNO Party explained that DCP 054² uses a definition of Disconnect within the code of practice that leaves it open as to whether a connection is to be Disconnected or De-energised. It was noted that in this context Disconnect means to disconnect a premises as referred to in the Electricity Act, and includes “De-energisation” (as defined in Clause 1 of the DCUSA). They highlight that in their view that should DCP 054 be approved there is a need to raise a change to clarify under what circumstances would a Disconnection take place and a De-energisation take place.
- 4.25 They note that this view is based on differing industry opinion in this area. They further note that it was initially believed that this change proposal may be extended to cater for such a discussion but this seems not to be the case, and as stated in their earlier responses, that should the intent be wider the Panel should consider setting up a working group to discuss this further.
- 4.26 The Panel noted the comments, and agreed that a Working Group should be set up in order to further analyse the CP and its impacts.

² Revenue Protection / Unrecorded Units into settlements

Question 7 - Do you agree with the implementation date of DCP 176?

- 4.27 The DCUSA Panel noted that the overall majority of the respondents, aside from one Supplier Party, agreed with the implementation date of DCP 176.
- 4.28 This Supplier Party explained that in their view, a Working Group needs proper time to discuss this change.
- 4.29 The Panel noted this comment, and agreed that a Working Group should be set up to progress this CP.

Question 8 - Are there any alternative solutions or matters that should be considered by the DCUSA Panel?

- 4.30 The DCUSA Panel noted that the overall majority of the respondents were not aware of any other solutions that the DCUSA Panel should consider.
- 4.31 One Supplier Party explained that in their opinion, they believe a Working Group should be set up to look at how these clauses should be worded to make them make tighter in the definition. The current or proposed new clauses are interpreted differently by Parties which lead to confusion and dispute.
- 4.32 The Panel noted the comment, and reiterated their view that a Working Group be established.

5 WORKING GROUP ASSESSMENT OF DCP 176

- 5.1 Whilst the first consultation was issued by the DCUSA Panel, after a review of the responses the DCUSA Panel decided that a Working Group should be convened.
- 5.2 The DCUSA Panel issued an invitation to Parties to form a Working Group to further assess the CP. Once completed and the group formed, the DCP 176 Working Group met on three occasions. The Working Group was comprised of Distributor, Supplier, as well as Ofgem representation. It is noted that all DCUSA Parties were invited to attend the Working Group. Meetings were held in open session and the documents of each meeting are available on the DCUSA website – www.dcusa.co.uk.
- 5.3 The Working Group met and reviewed the responses to the previous consultation, and as per the Panel's request, widened the scope of the assessment criteria so that the Working Group

would be able to review the definition of 'Disconnect' and how it differs to that of 'De-energise'.

6 CONSULTATION RESPONSES – NOVEMBER 2013

- 6.1 The Working Group reviewed all the related clauses and definitions that could be affected by any change to the definition of 'Disconnect' to ensure consistency. The Working Group then developed and agreed the changes to the impacted definitions, and sought Industry opinions, including the code administrators for the BSC³ and MRA⁴, on the amendments by issuing a second consultation.
- 6.2 There were 6 responses received to the consultation from DNOs and Suppliers. The Working Group discussed each response and its comments are summarised alongside the collated Consultation responses in Attachment D.
- 6.3 A summary of the responses received, and the Working Group's conclusions are set out below:

Question 1 - Do you feel that DCP 176 better facilitates any of the DCUSA General Objectives?

- 6.4 The Working Group noted that all the respondents agreed with the Working Group assessment that DCP 176 better facilitates DCUSA General Objective 4.

DCUSA General Objectives	Number Of Respondents that agree an Objective is better facilitated	Number of Respondents that did not agree an Objective is better facilitated
Objective 1	0	0
Objective 2	0	0
Objective 3	0	0
Objective 4	6	0
Objective 5	0	0

- 6.5 One DNO Party noted that this change proposal will better facilitate General Objective 4 because it provides clarification over when to Disconnect and when to De-energise and rectifies the inconsistencies between the definitions covering Section 2A and 2B. They further noted that in regard to the rest of the objectives the CP has a neutral impact.

Question 2 - Do you have any comments on the proposed legal drafting of DCP 176?

³ The Balancing and Settlement Code administered by Elexon

⁴ The Master Registration Agreement administered by Gemserv

- 6.6 The Working Group noted that the majority of respondents had no further comment on the legal drafting as developed by the Working Group.

Respondent Type	Do you have any comments on the proposed legal drafting for DCP 176?		
	Yes	No	Total
DNO	2	3	5
Supplier	0	1	1
Total	2	4	6

- 6.7 It was highlighted that two DNOs did have additional comments, and the Working Group discussed them fully, and took them into account whilst further developing the legal text. The full responses can be viewed in Attachment D.

Question 3 - Do you feel that DCP 176 will have any effect on other Industry codes?

- 6.8 The Working Group noted that all respondents did not feel that DCP 176 will have any effect on other Industry Codes.

Respondent Type	Do you feel that DCP 176 will have any effect on other Industry codes?		
	Yes	No	Total
DNO	0	5	5
Supplier	0	1	1
Total	0	6	6

- 6.9 One DNO highlighted that the proposed changes will not have an effect on other codes, however any further development/changes need to be monitored to ensure they do not impact on the MRA.
- 6.10 The Working Group discussed this point and agreed to contact the representatives from the BSC and the MRA to confirm that they are agreed that DCP 176 will not have any impact upon the respective Codes.

Question 4 - Are you aware of any wider industry developments that may impact upon or be impacted by this CP? If so, please give details, and comment on whether the benefit of the change may outweigh the potential impact and whether the duration of the change is likely to be limited?

- 6.11 The Working Group noted that all respondents were not aware of any wider industry developments that could impact upon or be impacted by this CP.
- 6.12 One DNO respondent noted that there are no industry developments that would impact this change proposal but its progression will help to further understand what type of activities are

being undertaken in the Revenue Protection Code of Practice (CoP) since the definition of Disconnect in that part of DCUSA is referring to the Electricity Act and makes a reference to and includes De-energisation as shown below:

“Disconnect means to disconnect a premises as referred to in the Electricity Act, and includes ‘De-energisation’ (as defined in Clause 1 of the DCUSA)”

6.13 They further note that there may be a further change proposal within the final drafting of the legal text to the Revenue Protection Code of Practice to clarify in what circumstance the activity identified is then alluding to i.e. Disconnect or De-energise.

6.14 The Working Group noted the comments and agreed that as the Revenue Protection CoP has its own definition of Disconnection this should be considered as out of scope for the Working Group and thus a separate change proposal would be required to change Revenue Protection CoP.

Question 5 - Do you agree with the implementation date of DCP 176?

6.15 The Working Group noted that all respondents agree with the proposed implementation date of DCP 176.

Question 6 - Are there any alternative solutions or matters that should be considered by the Working Group?

6.16 The Working Group noted that the overall majority were not aware of any further alternative solutions that should be considered by the Working Group as part of its assessment of DCP 176.

7 WORKING GROUP FINAL CONCLUSIONS ON DCP 176

7.1 The Working Group’s conclusion, reflecting Party opinion as presented in the Consultation responses, is that the proposed drafting meets the intent of DCP 176 and therefore should be issued for voting and Party determination.

7.2 The Working Group contacted the code administrators for the BSC and the MRA to confirm where there would be any consequential impacts on the respective codes if DCP 176 is approved and implemented. It is noted that both code administrators confirmed that there would be no impact from DCP 176 on either of the codes.

8 ENGAGEMENT WITH THE AUTHORITY

- 8.1 Ofgem has been engaged in the progression of DCP 176 as a member of the Working Group.

9 ASSESSMENT AGAINST THE DCUSA OBJECTIVES

- 9.1 Working Group considers that the following DCUSA Objectives are better facilitated by DCP 176.

General Objective 4 - The promotion of efficiency in the implementation and administration of this Agreement

- 9.2 DCP 176 Working Group unanimously agree that General objective 4 is better facilitated by the approval of DCP 176 because it will rectify the inconsistency of the Disconnect definition in respect of Section A and Section B of DCUSA and also provides clarity on the use of 'De-energise' and 'Disconnect'.
- 9.3 9.3 The Working Group also agreed that the rest of the General Objectives are not impacted by DCP 176.

10 DCP 176 – LEGAL DRAFTING

- 10.1 The Working Group reviewed the two options as set out in the original CP. The legal text was developed further by the Working Group taking consideration of the responses from the consultations and has been subsequently agreed by the entire group.
- 10.2 The DCP 176 legal drafting has been reviewed by the DCUSA legal advisors and is provided as Attachment B.

11 ENVIRONMENTAL IMPACT

- 11.1 The Working Group unanimously agreed that there is no environmental impact associated with DCP 176 and, therefore, no environmental impact analysis is required on the implementation of this CP.

12 IMPLEMENTATION

- 12.1 The proposed implementation date for DCP 176 is the first release following Authority consent.

13 PANEL RECOMMENDATION

13.1 The Panel approved this Change Report at its meeting on 19 February 2014.

13.2 The timetable for the progression of the CP is set out below:

Activity	Date
Change Report issued for voting	21 February 2014
Voting closes	7 March 2014
Change Declaration	11 March 2014
Authority Determination	15 April 2014
DCP 176 Implemented	First Release Following Authority Consent

14 NEXT STEPS

14.1 Parties are invited to consider the proposed amendments (Attachment B), together with the Consultation documentation (Attachment C and D) and submit their votes using the Voting form (Attachment E) to dcusa@electralink.co.uk by **7 March 2014**.

14.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA by email to dcusa@electralink.co.uk or telephone 020 7432 3014.

ATTACHMENTS

- Attachment A – DCP 176 CP Form
- Attachment B – DCP 176 Proposed Legal Text
- Attachment C – DCP 176 Consultation – August 2013
- Attachment D – DCP 176 Consultation – November 2013
- Attachment E – DCP 176 Voting Form