

**DCUSA DCP 205 Consultation responses – Collated Comments**

<b>Company</b>	<b>Confidential I/ Anonymous</b>	<b>1. Do you understand the intent of the CP?</b>	<b>Working Group Comments</b>
Electricity North West Limited	Non-confidential	yes	Noted.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	Yes	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes	Noted.
SP Distribution / SP Manweb	Non-confidential	We understand the intent of the CP.	Noted.
UK Power Networks	Non-confidential	Yes	Noted.
<b>Overall Comments</b>			The Working Group noted that the all respondents agreed

Company	Confidential/ Anonymous	2. Are you supportive of the principles of the CP?	Working Group Comments
Electricity North West Limited	Non-confidential	yes	Noted.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	Yes	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes	Noted.
SP Distribution / SP Manweb	Non-confidential	We are supportive of the principles of the CP.	Noted.
UK Power Networks	Non-confidential	Yes	Noted.
<b>Overall Comments</b>			The Working Group noted that the all respondents agreed

Company	Confidential/ Anonymous	<p><b>3. Do you have any comments and preferences on the four options in order to capture and exclude from this charging change "equipment of an unusual nature or that it would be non-standard in a normal domestic or small business environment". Please provide comments for each option.</b></p> <p><b>a) Causing disruption to other Users</b></p> <p><b>b) Causing disruption to other Users with costs to rectify in excess of a High Cost Cap</b></p> <p><b>c) Equipment Standard</b></p> <p><b>d) No current exclusion for any equipment installed by existing customers.</b></p>	Working Group Comments
Electricity North West Limited	Non-confidential	<p>We support the principle that customers that install equipment that and can be clearly identified should incur the costs associated with changes to the network to accommodate their equipment. Whilst the first three options seek to address this aim we do not think they are sufficiently developed at this time. Our preference at this time is therefore option (d). This can and should be revisited in a few years time when there is more examples and evidence to justify a change.</p>	<p>The Group discussed whether or not option (d) would comply with the licence drafting. This response does suggest that if there was an exhaustive list that ENWL would be supportive of this.</p>
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	<p>Part of the original intention of Ofgem's strategy decision document, referenced in the consultation, was to develop a consistent policy across all DNOs given the projected take up of low carbon technologies. The document also recognises that any policy will be an interim measure until sufficient smart metering data is available to identify those who trigger reinforcement and incentivise them to manage their consumption in order to avoid reinforcement. It should be noted that the need for reinforcement can be driven by considerations other than excess demand. New load at premises has the potential to disturb the supply to other customers by creation of flicker or harmonic distortion for example. Smart meters will not help identify premises causing</p>	<p>The Working Group agreed with the comments made on options (a) and (b). The Group supported the idea that (c) is the preferred option and made comment on whether or not the distribution code annex 1 where equipment standards that a customer would be able to apply.</p>

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		<p>these kinds of problems.</p> <p>Overall we would recommend that any policy must provide clear signals to influence customer behaviour and be sufficiently aligned with the aims of Ofgem's smart grid project.</p> <p>With this in mind we have the following observations on the options suggested:</p> <p>a) Causing disruption to other Users – we do not believe that this option would be descriptive enough to allow customers to make an informed decision and thus influence behaviour.</p> <p>b) Causing disruption to other Users with costs to rectify in excess of a High Cost Cap – while bearing in mind the point made above Ofgem have previously stated that sufficient examples of where DNOs had spent money to mitigate the impacts of power quality issues to inform the setting of a cap were difficult to obtain so unless this issue is resolved (being able to determine an appropriate cap value) it's unlikely to be a successful option.</p> <p>c) Equipment Standard – we believe that this option is more</p>	

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		<p>in line with the way the industry operates now under licence conditions, terms of connection and the Distribution Code. Under standard licence condition 20.2 the licensee must at all times have in force, implement, and comply with the Distribution Code. Furthermore SLC12.7 states that the licensee is not obliged to offer to enter into an agreement for connection if doing so would be likely to cause it to be in breach of the distribution code.</p> <p>SLC 21.5 states that the Distribution Code must include a Distribution Planning and Connection Code and a Distribution Operating Code. SLC21.6 states that the Distribution Planning and Connection Code must contain:</p> <ul style="list-style-type: none"> <li>o planning conditions that specify the technical and design criteria and procedures that are to be applied by the licensee in the planning and development of its Distribution System and taken into account by persons having a connection or seeking a connection to that system in the planning and development of their own plant and systems; and</li> <li>o connection conditions that specify the technical,</li> </ul>	

Company	Confidential/ Anonymous	<p>3. Do you have any comments and preferences on the four options in order to capture and exclude from this charging change "equipment of an unusual nature or that it would be non-standard in a normal domestic or small business environment". Please provide comments for each option.</p> <ul style="list-style-type: none"> <li>a) Causing disruption to other Users</li> <li>b) Causing disruption to other Users with costs to rectify in excess of a High Cost Cap</li> <li>c) Equipment Standard</li> <li>d) No current exclusion for any equipment installed by existing customers.</li> </ul>	Working Group Comments
		<p>design, and operational criteria to be complied with by any person having a connection or seeking a connection to the licensee's Distribution System.</p> <p>Moreover, the owner or occupier should be able to see the standards that equipment must meet to be certain that it will not give rise to a connection charge for Reinforcement Costs under SLC13C. Happily that clarity can be given for the simple reason that we already provide the standards that equipment must meet if it is to comply with the distribution code and the ESQCR. A list of these standards is attached as an appendix to this response. Please refer to attachment 1.</p> <p>The DCUSA initial consultation on DCP 205 quotes from a version of SLC13C that precedes the modification that was made to the standard conditions by Ofgem so is inaccurate in that respect. The purpose of the new SLC13C is clearly set out in the statutory notice (extract attached to this response as attachment 2) that implemented the modification and option (c) is clearly the most consistent with the declared purpose of this condition.</p>	

Company	Confidential/ Anonymous	<p><b>3. Do you have any comments and preferences on the four options in order to capture and exclude from this charging change "equipment of an unusual nature or that it would be non-standard in a normal domestic or small business environment". Please provide comments for each option.</b></p> <p><b>a) Causing disruption to other Users</b></p> <p><b>b) Causing disruption to other Users with costs to rectify in excess of a High Cost Cap</b></p> <p><b>c) Equipment Standard</b></p> <p><b>d) No current exclusion for any equipment installed by existing customers.</b></p>	Working Group Comments
		<p>d) No current exclusion for any equipment installed by existing customers – this option is not only inconsistent with current charging policy but goes against the shallow charging boundary established by Ofgem. It is inconsistent with the new licence condition (SLC13C) and with the Ofgem policy decision that then led to that condition. This option would be more expensive for DUoS customers and would create a perverse incentive on existing customers to connect any equipment without considering modern alternatives or low energy options. The wording proposed in the DCUSA Consultation would not be consistent with this option.</p> <p>We understand that the promoter of the DCUSA modification intends that under this option an existing owner or occupier should still be constrained by the 100 amperes limit but that the costs of accommodating a load that is disturbing to other customers should fall on the generality of users. We do not understand the reasoning that would support a distinction between the exceeding of the 100 amperes limit and the costs incurred by disturbing loads. Moreover we have no idea why it would be right to confer the benefit of socialisation on those who are already</p>	

Company	Confidential/ Anonymous	<p>3. Do you have any comments and preferences on the four options in order to capture and exclude from this charging change "equipment of an unusual nature or that it would be non-standard in a normal domestic or small business environment". Please provide comments for each option.</p> <p>a) Causing disruption to other Users</p> <p>b) Causing disruption to other Users with costs to rectify in excess of a High Cost Cap</p> <p>c) Equipment Standard</p> <p>d) No current exclusion for any equipment installed by existing customers.</p>	Working Group Comments
		<p>connected but to deny it to those who have not yet connected.</p> <p>This option would not avoid the need to define the acceptable equipment standards in relation to new connections. Once it is recognised that it is necessary and possible to do this for new connections it is hard to see why the same regime could not be applied to existing connections.</p>	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	<p><b>a) Causing disruption to other Users</b> – simple to apply, fairly reflective of costs incurred.</p> <p><b>b) Causing disruption to other Users with costs to rectify in excess of a High Cost Cap</b> – simple to apply, fairly reflective of substantial costs incurred.</p> <p><b>c) Equipment Standard</b> – concern over keeping this up-to-date and it may result in unnecessarily discouraging signals.</p>	The Working Group noted that a suitable equipment standards list existed and could be kept up to date and SSEPD would support that solution

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		<p><b>d) No current exclusion for any equipment installed by existing customers.</b> – concern that this gives no commercial signals, nor fairly reflect real costs incurred to encourage behaviours in manufacturer, installer or end customers.</p> <p>Therefore our preferred option would be b).</p>	
SP Distribution / SP Manweb	Non-confidential	<p>a, b and d) we believe that these options do not comply with Ofgem's expectations as per licence drafting 13C.6 part b.</p> <p>c) we believe that this option best fits with Ofgem's proposed licence drafting. However, consideration will have to be given to industry standards that can be developed and maintained on an enduring basis across all DNOs.</p>	The Working Group noted that SP supported solution C
UK Power Networks	Non-confidential	We have a preference for 'a': causing disruption to other users, on the basis of it being simple to apply and consistent with the level of detail generally provided in the connection charging methodology. We believe this could be achieved in recognition and possible amendment of methodology paragraphs 1.11 and/or 1.18.	The Group consensus was not in agreement with UKPN's comments regarding the equipment list.

<b>Company</b>	<b>Confidential/ Anonymous</b>	<p>3. Do you have any comments and preferences on the four options in order to capture and exclude from this charging change "equipment of an unusual nature or that it would be non-standard in a normal domestic or small business environment". Please provide comments for each option.</p> <p>a) Causing disruption to other Users</p> <p>b) Causing disruption to other Users with costs to rectify in excess of a High Cost Cap</p> <p>c) Equipment Standard</p> <p>d) No current exclusion for any equipment installed by existing customers.</p>	<b>Working Group Comments</b>
		<p>E.g. 1.18 could be modified to read "Where the Reinforcement is in excess of the Minimum Scheme and is either at your request or is required to prevent the characteristics of your load or generation causing disruption to other Users, the Reinforcement will be treated as Extension Assets and the apportionment rules will not apply....." The proposed new paragraph 1.36 could make reference to the provisions of paragraphs 1.11 and 1.18.</p> <p>We would not support 'c': equipment standard, as this approach does not recognise that the level of any disruption caused to other Users will be dependent of the network characteristics in any particular locality e.g. fault level.</p>	
<b>Overall Comments</b>			The WG accepted the majority vote for (c) and will review PS' comments.
<b>Company</b>	<b>Confidential/ Anonymous</b>	<p>4. Do you consider that the proposal better facilitates the DCUSA General Objectives? Please give supporting reasons.</p>	<b>Working Group Comments</b>

Company	Confidential/ Anonymous	4. Do you consider that the proposal better facilitates the DCUSA General Objectives? Please give supporting reasons.	Working Group Comments
Electricity North West Limited	Non-confidential	We agree that it better facilitates General Objective 3	Noted.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	Building on the answer to question 3 we believe that option (c) better facilitates general objective 3. In addition option (c) is more closely aligned with the licence modification that has been made. That condition clearly envisages equipment standards being set out that the connectee can take into account. The Distribution Code contains procedures to permit equitable management of day to day technical situations in the Electricity Supply Industry, taking account of a wide range of operational conditions likely to be encountered under both normal and exceptional circumstances. The distribution licence requires DNOs to comply with the Distribution Code. The right to charge a connectee where the connectee's behaviour causes an increase in costs should be aligned with the circumstances where a DNO can disconnect or discontinue the supply to the premises. In other words it should be aligned with the principles of the distribution code and the ESQCR. Otherwise the person who is behaving in manner that breaches the distribution code or that would require disconnection under the ESQCR could simply require that the DNO modify its system (at the expense of the generality of customers) thereby escaping the objective of the Ofgem policy as set out in the new licence condition. That is neither sensible nor consistent with the Ofgem policy intent or SLC13C.	Noted.
Southern Electric Power Distribution	Non-confidential	3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.	Noted.

Company	Confidential/ Anonymous	4. Do you consider that the proposal better facilitates the DCUSA General Objectives? Please give supporting reasons.	Working Group Comments
plc and Scottish Hydro Electric Power Distribution plc		In our view, this CP, in discharging an obligation imposed on the DNO parties by Ofgems RIIO ED1 proposals, better facilitates DCUSA General Objective 3.	
SP Distribution / SP Manweb	Non-confidential	We consider the proposal better facilitates the DCUSA General Objectives. Specifically we believe objective 3 is better facilitated.	Noted.
UK Power Networks	Non-confidential	Objective 3	Noted.
<b>Overall Comments</b>			The Working Group noted that the all respondents agreed

Company	Confidential/ Anonymous	5. Do you consider that the proposal better facilitates the DCUSA Charging Objectives? Please give supporting reasons.	Working Group Comments
Electricity North West Limited	Non-confidential	We agree that it better facilitates Charging Objective 1	Noted.
Northern Powergrid (Northeast and	Non-confidential	For the reason specified in answer to questions 3 and 4 we believe that option (c) best facilitates general objective 1.	Noted.

Company	Confidential/ Anonymous	5. Do you consider that the proposal better facilitates the DCUSA Charging Objectives? Please give supporting reasons.	Working Group Comments
Yorkshire)			
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	<p>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</p> <p>In our view, this CP, in bringing the Connection Charging Methodology into line with an objective of the RIIO ED1 proposals, better facilitates DCUSA Charging Objective 1.</p>	Noted.
SP Distribution / SP Manweb	Non-confidential	We consider the proposal better facilitates the DCUSA Charging Objectives. Specifically we believe objective 1 is better facilitated	Noted.
UK Power Networks	Non-confidential	Charging Objective 1	Noted.
<b>Overall Comments</b>			The Working Group noted that the all respondents agreed

Company	Confidential/ Anonymous	6. Are there any unintended consequences of this proposal?	Working Group Comments
Electricity	Non-	If option (d) is progress then there may be some circumstances	The Working Group agreed with this

Company	Confidential/ Anonymous	6. Are there any unintended consequences of this proposal?	Working Group Comments
North West Limited	confidential	that some customers will install some equipment that previously they would have been charged for and the costs will be borne by DUoS customers	comment.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	<p>Ultimately The Electricity Safety, Quality and Continuity Regulations 2002 will still need to be enforced, namely:</p> <ul style="list-style-type: none"> <li>• Reg 25(1) – No person shall make or alter a connection from a distributor’s network to a consumer’s installation, a street electrical fixture or to another distributor’s network without that distributor’s consent, unless such consent has been unreasonably withheld.</li> <li>• Reg 25(2) - A distributor shall not give his consent to the making or altering of the connection where he has reasonable grounds for believing that the consumer’s installation, street electrical fixture or other distributor’s network fails to comply with British Standard Requirements or these Regulations.</li> <li>• Reg 26(1) - Where a connection to a distributor’s network has been made, or is proposed, and the distributor is not satisfied that the consumer’s installation.....which is or would be connected to his network is or would be so constructed, installed, protected and used or arranged for use so as to prevent, so far as is reasonably practicable, danger or interference with his....network, or with the supply to any consumer’s installation... he may issue a notice in writing to the consumer or other distributor or owner of the street electrical fixture (as the case may be) requiring remedial works to be carried out within such</li> </ul>	The Group agreed that ESQCR regulations would apply and the DNO would have the right to disconnect the equipment and carry out the remedial work required. However the ESQCR does not define who should pay for this work.

Company	Confidential/ Anonymous	6. Are there any unintended consequences of this proposal?	Working Group Comments
		<p>reasonable period as may be specified in the notice.</p> <p>In the strategy decision document Ofgem state that the costs of reinforcement associated with general load growth at existing premises is recovered through DUoS charges and that the ideal position would be to recover costs from those customers who impose them.</p> <p>When considering the options for DCP205 it is important to distinguish between the customer connecting additional equipment and the cost of any reinforcement to allow that equipment to be connected. The licence and distribution code are clear that the customer will still have to make a request to connect additional equipment where this is in excess of the connection agreement or where it is likely to cause problems for other customers and the DNO may need to carry out reinforcement work to facilitate this. The options above only cover who will bear the cost of that reinforcement.</p> <p>Licence condition SLC13C does not give rise to a situation whereby owners or occupiers are permitted to connect equipment that exceeds their connection agreements or breaches the requirements of the ESQCR or the distribution code. It follows that the DCUSA modification should be aligned with these requirements. In particular, the DCUSA should not be amended in such a way that an owner or occupier whose actual or prospective behaviour would be inconsistent with any of the requirements of the connection agreement, the distribution code or the ESQCR, would be able to require the licensee to modify its assets to accommodate that changed demand or behaviour whilst placing the costs of so doing on the generality of users.</p>	

<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>6. Are there any unintended consequences of this proposal?</b>	<b>Working Group Comments</b>
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	None	Noted.
SP Distribution / SP Manweb	Non-confidential	None we are aware of.	Noted.
UK Power Networks	Non-confidential	Please refer to question 8 below.	Noted.
<b>Overall Comments</b>			Noted.

<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>7. Are there any alternative solutions or matters that should be considered?</b>	<b>Working Group Comments</b>
Electricity North West Limited	Non-confidential	Please note above comments.	Noted.

Company	Confidential/ Anonymous	7. Are there any alternative solutions or matters that should be considered?	Working Group Comments
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	For CT metered customers the National Terms of Connection (NTC) require them to comply with the Distribution Code however, for whole current metered customers the relevant NTC section only requires compliance with the Code in relation to generation equipment. It's possible that when section 2 (applying to whole current customers) was originally drafted the equipment in these type of premises did not include such things as photo-voltaics, heat pumps, electric vehicle charging points and other low carbon technologies. The wording in the Distribution Code states that it "shall be complied with by the DNO and by potential and existing Generators, Suppliers and Customers connected to or seeking connection to the DNO's Distribution System" so the NTC may need to be reviewed to ensure that whole customers are made aware of the need for compliance.	The Working Group...
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	None	Noted.
SP Distribution / SP Manweb	Non-confidential	None.	Noted.
UK Power	Non-	Not that we are aware of.	Noted.

Company	Confidential/ Anonymous	7. Are there any alternative solutions or matters that should be considered?	Working Group Comments
Networks	confidential		
<b>Overall Comments</b>			

Company	Confidential/ Anonymous	8. Please state any other comments or views on the Change Proposal.	Working Group Comments
Electricity North West Limited	Non-confidential	We are keen to ensure that this Change Proposal is implemented for 1 April 2015	Noted.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	<p>Our understanding of the early discussion on this issue was that if the customer has a connection agreement then we would honour that providing:</p> <ul style="list-style-type: none"> <li>• They remain under 16A per phase for LV generation;</li> <li>• They stay within the agreed distribution capacity; and</li> <li>• Their usage does not interfere with us or other users of the network.</li> </ul> <p>The industry needs to avoid creating a charging policy that would effectively nullify the requirement for customers to avoid installing equipment that is disruptive in its nature and by its design.</p>	A Working Group member did not recognise bullet point 3.

Company	Confidential/ Anonymous	8. Please state any other comments or views on the Change Proposal.	Working Group Comments
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	None	Noted.
SP Distribution / SP Manweb	Non-confidential	None.	Noted.
UK Power Networks	Non-confidential	<p>We note that the consultation document provides an extract of the proposed new Standard Licence Condition (SLC13C). This makes reference to a paragraph 13C.5 but this paragraph is not provided. We are unaware if this is relevant however.</p> <p>We do not understand paragraph 3.2 of the consultation document in relation to Relevant Customers.</p> <p>We note that the proposed new standard licence condition 13C includes provision for a 'Relevant Customer' being an 'owner or occupier of premises' but this provision does not appear to have been repeated in the proposed methodology drafting. Proposed new paragraph 1.31 uses the term 'applicant' but we would propose that "...made by a single applicant" be replaced with "...for a single owner or occupier". This would act to protect against any unintended consequences involving speculative</p>	The Group will refer back to UKPN's comments after the Group have undertaken a further review.

<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>8. Please state any other comments or views on the Change Proposal.</b>	<b>Working Group Comments</b>
		multiple applications made by parties other than an owner or occupier.	
<b>Overall Comments</b>			