

DCUSA DCP 181 CHANGE DECLARATION

VOTING END DATE: 9 MAY 2016

DCP 181- PREVIOUS CONNECTION TERMS ENDURING	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
CHANGE SOLUTION	Accept	Accept	Reject	n/a	n/a
IMPLEMENTATION DATE	Accept	Accept	Reject	n/a	n/a
RECOMMENDATION	<p>Part 1 Matters</p> <p>Change Solution – Accept.</p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the change solution was more than 50%.</p> <p>Implementation Date – Accept.</p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was more than 50%.</p>				
PART ONE / PART TWO	Part One – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				

Electricity North West	Accept	Accept	We believe that general objective one is better facilitated in that it ensures that an efficient network is maintained. As stated by the working group the risk of reinforcement due to a customer not being bound by previous terms is avoided.	n/a
Northern Powergrid (Northeast) Ltd	Accept	Accept	<p>This change proposal better meets DCUSA General Objective One by ensuring that the risk of reinforcement due to a customer not being bound by previous terms is avoided.</p> <p>This change proposal better meets General Objective Two because it facilitates competition in supply by allowing:</p> <ul style="list-style-type: none"> less strict terms to apply to generators who are willing to accept non-standard terms and <p>Better management of the network by constraining certain connections thus allowing more connections to the network.</p>	n/a
Northern Powergrid (Yorkshire) Plc	Accept	Accept		
SP Distribution	Accept	Accept	Objective 1: The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.	None
SP Manweb	Accept	Accept		

			This change proposal will better ensure the DNO is able to maintain an efficient network avoiding risk of potential reinforcement costs made necessary by a new owner/occupier being contracted under the NTC rather than existing agreed terms.	
Southern Electric Power Distribution plc	Accept	Accept	The CP better facilitates General Objective 1 as incoming parties will be bound to terms and any site-specific conditions which have been agreed with a previous owner/occupier, maintaining continuity of established parameters.	This CP seeks to establish a very important provision, as connections are provided to meet the requirements of the connecting party and are frequently subject to individual limitations or characteristics, particularly in relation to distributed generation. DSO/DSR and associated 'smart grid' arrangements are likely to considerably expand the number and scope of site-specific arrangements. These developments could be severely impaired if distributors cannot be assured that bespoke connection terms pass to following owners/occupiers.
Scottish Hydro Electric Power Distribution plc	Accept	Accept		
Eastern Power Networks	Accept	Accept	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	We consider this a crucial measure to protect the network against unconstrained export with which it cannot cope. The constraint was accepted by the party for whom the connection was provided to avoid heavy reinforcement costs. Subsequent comers must not have the advantage of
London Power Networks	Accept	Accept		
South Eastern Power Networks	Accept	Accept		

			<p>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.</p>	<p>unconstrained export in these circumstances. Such connections are the result of an innovative treatment and if the arrangements are not perpetuated such innovations are unlikely to occur.</p>
Western Power Distribution (South West) plc	Accept	Accept	<p>DCUSA General Objective 1 is better met by this change; “The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System” as it ensures that DNO’s are not required to undertake reinforcement of their networks because a new customer has not been bound by originally agreed operating constraints. DCUSA General Objective Two is better met by this change: “The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity” because it facilitates competition in supply by allowing</p>	None
Western Power Distribution (South Wales) plc	Accept	Accept		
Western Power Distribution (East Midlands) plc	Accept	Accept		
Western Power Distribution (West Midlands) plc	Accept	Accept		

			more generators to connect via constrained connections than would be able to under standard terms and conditions.	
--	--	--	---	--

IDNO PARTIES				
ESP Electricity	Accept	Accept	ESPE agree with the Working Group’s conclusions that General Objectives 1 and 2 are better facilitated by DCP 181.	N/A

SUPPLIER PARTIES				
British Gas	Reject	Reject	<p>British Gas does not believe that any of the DCUSA objectives are better facilitated by this change.</p> <p>In particular, the implementation of this change would hinder General Objective 2.</p>	<p>British Gas remains concerned that the proposed clause will not deliver the stated aims of either i) influencing the customers behaviour, or ii) providing a sufficiently binding agreement against which enforcement action could be taken.</p> <p>The legal advice provided by Wragge Lawrence Graham & Co LLP 9 October 2015 attachment 8a provides greater clarity as to why we reject to the implementation of this modification.</p> <p>6. Unders16-s21 of the Electricity Act, can capacity agreed with (the first?) connectee transfer to a third party without any associated terms? Can a</p>

				<p>benefit be transferred in this way without associated burden?</p> <p>6.4 The question of whether the benefit can transfer without the burden really goes to the heart of DCP181. The current regulatory framework provides for the benefit of the connection to be preserved, but for the burden (the terms) to always be the standard terms (and not necessarily the bespoke terms that are appropriate to the benefit).</p> <p>10.2 The incorporation of terms by reference is perfectly legitimate in terms of contract law. However, it will only work in practice if the following three things are achieved:</p> <ul style="list-style-type: none">(a) the fact that legal terms are to apply needs to be drawn to the connectee’s attention;(b) this needs to be done prior to contract formation; and(c) the actual terms need to ‘fairly and reasonably’ be brought to the connectee’s attention. <p>Further to contract law, the Supply Licence Conditions require that suppliers provide each Micro Business customer with information at the point of sale which is “complete, accurate and not</p>
--	--	--	--	---

				<p>misleading (in terms of the information provided or omitted)” (SLC 7B.4 (b) (i)).</p> <p>Telling a customer that additional clauses and limits may apply to their contract, which are not contained within, which at the point of agreement are unknown to either signatory, the particulars of which can only uncovered by subsequently writing to a third party, who will then provide another body’s contact details, does not feel ‘complete’.</p> <p>A further condition directs suppliers to treat customers fairly.</p> <p>7B.3 For the purposes of this condition, the licensee would not be regarded as treating a Micro Business Consumer fairly if their actions or omissions:</p> <ul style="list-style-type: none"> (a) significantly favour the interests of the licensee; and (b) give rise to a likelihood of detriment to the Micro Business Consumer. <p>Although the clause may not strictly prohibit a clause like that which is proposed, including such wording would run counter to the spirit of these rules.</p> <p>Finally, within any suggested wording there would need to be sufficient</p>
--	--	--	--	---

				flexibility to ensure the language used does not have a contradictory defined meaning within the supplier's standard terms of contract.
--	--	--	--	---

DISTRIBUTED GENERATOR PARTIES

n/a				
-----	--	--	--	--

GAS SUPPLIER PARTIES

n/a				
-----	--	--	--	--