

Modification proposal:	Distribution Connection and Use of System Agreement (DCUSA) DCP182 – Removal of Disconnection Notice		
Decision:	The Authority ¹ directs this modification ² be made ³		
Target audience:	DCUSA Panel, Parties to the DCUSA and other interested parties		
Date of publication:	24 March 2015	Implementation date:	1 April 2015

Background

Distributors have an important role in connecting customers to, and disconnecting customers from, the electricity distribution network. For example, brown-field developments often need a Distributor to disconnect premises from the electricity distribution network before they can start building new houses or offices.

The Master Registration Agreement (MRA) recently introduced a new standardised procedure for disconnections (the MRA Agreed Procedure for Disconnection)⁴ to improve the transparency and consistency of arrangements. This also prompted consequential changes to the data flows in the MRA Data Transfer Catalogue.⁵

The principle for the new MRA Agreed Procedure for Disconnection is that the disconnection process should now be “Distributor-led”. Where a customer contacts a Supplier to request a disconnection, the Supplier will advise the customer to contact their Distributor. The Supplier may offer to take the relevant information and send it to the Distributor, but there is no requirement to do so. Ultimately, the Distributor is then responsible for ensuring that the Supplier and other market participants are kept informed at appropriate points in the process.

DCUSA has not yet been modified to reflect the MRA Agreed Procedure for Disconnection. When a Distributor notifies a Supplier that it will be disconnecting particular premises, some Suppliers (but not all) think that DCUSA still requires them to send a Disconnection Notice to the Distributor before the disconnection can take place.

The modification proposal

DCP182 was proposed by SP Energy Networks and sought to:

- remove the requirement on Suppliers to send a Disconnection Notice to the Distributor; and
- remove various references to Disconnection Notices to reflect the new process outlined in the MRA Agreed Procedure for Disconnection.

The proposer considers that the modification will better facilitate DCUSA General Objective 1⁶ and 4⁷ by removing an unnecessary requirement on Suppliers to send a Disconnection Notice to the Distributor (the Supplier may still choose to send a Disconnection Notice). The proposer considers that the proposed modification will better align DCUSA with the MRA Agreed Procedure for Disconnection.

¹ References to the “Authority”, “Ofgem”, “we” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² ‘Change’ and ‘modification’ are used interchangeably in this document.

³ This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

⁴ <http://mrasco.com/mra-products/mra-agreed-procedures>

⁵ <http://mrasco.com/change-proposals/change-tracker/84?cpid=15789>

⁶ DCUSA General Objective 3.1.1 – the development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.

⁷ DCUSA General Objective 3.1.4 – the promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.

DCUSA Parties' recommendation

The Change Declaration for DCP182 indicates that all parties were eligible to vote on DCP182. In each party category where votes were cast (no votes were cast in the DG party category),⁸ there was unanimous support for the proposal and for its proposed implementation date. In accordance with the weighted vote procedure, the recommendation to us is that DCP182 is accepted. The outcome of the weighted vote is set out in the table below:

DCP182	WEIGHTED VOTING (%)							
	DNO ⁹		IDNO/OTSO ¹⁰		SUPPLIER		DG ¹¹	
	Accept	Reject	Accept	Reject	Accept	Reject	Accept	Reject
CHANGE SOLUTION	100%	0%	100%	0%	100%	0%	n/a	n/a
IMPLEMENTATION DATE	100%	0%	100%	0%	100%	0%	n/a	n/a

Our decision

We have considered the issues raised by the proposal and the Change Declaration and Change Report dated 17 February 2015. We have considered and taken into account the vote of the DCUSA Parties on the proposal attached to the Change Declaration. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the DCUSA General objectives;¹² and
- directing that the modification is approved is consistent with our principal objective and statutory duties.¹³

Reasons for our decision

We consider this modification proposal will better facilitate DCUSA General Objective 4 and has a neutral impact on the other applicable objectives.

DCUSA General Objective 3.1.4 – the promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it

The proposer and voting parties consider that it is unnecessary and inefficient to retain the requirement on Suppliers to send a Disconnection Notice to the Distributor. We consider that the duplication of Disconnection Notices creates additional and unnecessary administrative work. The removal of this requirement will also better align DCUSA and the MRA Agreed Procedure for Disconnection. We therefore consider that this modification will improve the efficiency of the DCUSA Agreement.

⁸ There are currently no gas supplier parties.

⁹ Distribution Network Operator

¹⁰ Independent Distribution Network Operator/Offshore Transmission System Operator

¹¹ Distributed Generation

¹² The DCUSA General Objectives (Applicable DCUSA Objectives) are set out in Standard Licence Condition 22.2 of the Electricity Distribution Licence and are also set out in Clause 3.1 of the DCUSA.

¹³ The Authority's statutory duties are wider than matters that the Parties must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.

DCUSA General Objective 3.1.1 – the development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System

The proposer and voting parties consider that it is inefficient for a Supplier to be required to send a Disconnection Notice to the Distributor, in circumstances where the Distributor notifies the Supplier about the disconnection. We agree that the requirement to send a Disconnection Notice duplicates work and adds an unnecessary administrative burden. However, it is not clear to us how removing this requirement for Suppliers leads to a more economical Distribution System. We therefore consider that this modification has a neutral impact on DCUSA General Objective 3.1.1.

Decision notice

In accordance with standard licence condition 22.14 of the Electricity Distribution Licence, the Authority hereby directs that modification proposal DCP182 'Removal of Disconnection Notice' be made.

Andrew Burgess

Associate Partner: Transmission and Distribution Policy

Signed on behalf of the Authority and authorised for that purpose