

Proposed variation:	Distribution Connection and Use of System Agreement (DCUSA) DCP047: Removal of Schedule 12 (Matters for Future Development)		
Decision:	The Authority ¹ directs that this proposed variation be accepted		
Target audience:	Parties to the DCUSA and other interested parties		
Date of publication:	12 February 2010	Implementation Date:	25 February 2010

Background to the variation

The DCUSA was designated on 6 October 2006. Upon its creation there were a number of technical and commercial issues that were left open for future discussion under the auspices of DCUSA. For clarity these issues were incorporated into the DCUSA within Schedule 12.

These issues have since been the subject of change proposals to the DCUSA and/ or referred to the Standing Issues Group (SIG) for consideration.

Any new matters that are raised for future development are tracked by the DCUSA Panel's work plan which are discussed at Panel meetings or via change proposals raised by DCUSA parties. Therefore these new working practices have rendered Schedule 12 redundant.

The proposed variation

The proposed amendment seeks to remove Schedule 12 of the DCUSA. The proposer believes that given these new working arrangements that Schedule 12 is now redundant and should be removed. The proposer believes that the removal of this schedule will better facilitate relevant objective(d) – promotion of efficiency in the implementation and administration of the Agreement.

Recommendation to Ofgem

In the final Change Declaration for the proposed declaration, dated 12 November 2009, the DCUSA Parties recommended to the Authority that DCP047 be implemented, having voted by a majority in favour. The Parties also recommended, by majority in favour, that the change proposal should be implemented in February 2010.

The Authority's decision

The Authority has considered the issues raised by DCP047 and the final Change Declaration dated 12 November 2009. The Authority has considered the recommendation of the DCUSA parties and has concluded that:

1. Implementation of the proposed variation will better facilitate the application of DCUSA objectives², and

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² The Applicable DCUSA Objectives are these:

(a) the development, maintenance and operation by the licensee of an efficient, co-ordinated, and economical Distribution System;

2. directing the variation is consistent with the Authority's principal objective and statutory duties³.

Reasons for the Authority's decision

We acknowledge that at the time of the DCUSA designation a number of issues relating to the relationship between the DNOs and their users that had not been full addressed and therefore could not be catered for in the DCUSA. The industry and Ofgem felt it was prudent to include these issues within a Schedule in DCUSA so that the issue could be considered at a future date.

Since then a number of change proposals have been raised to the DCUSA that have dealt with the issues set out in Schedule 12 or the issue has been dealt with by the SIG. As such, Schedule 12 has become superfluous and redundant. We agree that the removal of this Schedule will ensure the DCUSA remains up to date and reflect current practices.

In addition the removal of Schedule 12 will indicate to parties that these issues have been dealt with and remove uncertainty about the status of these issues. We therefore agree that this proposal will then promote DCUSA objective (d) *the promotion of efficiency in the implementation and administration of the DCUSA arrangements* by removing Schedule 12 which is now redundant.

Decision notice

In accordance with Standard Condition 9B of the Electricity Distribution Licence, the Authority hereby directs that the proposed variation set out in DCP047: *Removal of Schedule 12* be made.

Mark Cox

Associate Partner, Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose.

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- (b) 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;
 - (c) the efficient discharge by the licensee of the obligations imposed upon it by this licence; and
 - (d) the promotion of efficiency in the implementation and administration of the DCUSA arrangements.

³ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989.