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| Proposed variation:  | <b>Distribution Connection and Use of System Agreement (DCUSA) DCP011: Distribution Standard Licence Condition 36, 36A &amp; 36C review (DCP011)</b> |                      |              |
| Decision:            | The Authority <sup>1</sup> directs that this variation be made <sup>2</sup>  |                      |              |
| Target audience:     | Parties to the DCUSA and other interested parties  |                      |              |
| Date of publication: | 15 May 2008  | Implementation Date: | 26 June 2008 |

## Background to the proposed variation

On 30 March 2007 the Authority directed modifications to the Standard Conditions of the Distribution Licence<sup>3</sup>. These changes took effect on 1 April 2007 and, amongst other things, alleviated Distributors of the obligation to provide basic metering services, recognising the emergence of competition in the provision of these services.

## The proposed variation

As the DCUSA documentation is now inconsistent with the Distribution licence, changes are required in order to bring it back into line. In particular, the proposal seeks to change the definitions of the Relevant Charging Statement and the Meter Operator. Several further consequential changes will be required wherever those defined terms are used.

The proposal also reflects changes to the terminology used in the Balancing and Settlement Code (BSC) as a result of P197A: '*SVA Qualification Processes Review*', which was implemented on 23 August and replaced the concept of *Accreditation* with one of *Qualification*.

## Recommendation to Ofgem

The recommendation of DCUSA Parties was for the proposed variation to be accepted. Of the Party Classes which voted (DNO, IDNO, and Supplier) participants were unanimously in favour of implementation.

26 June 2008 was proposed as the implementation date, again with unanimous support.

## The Authority's decision

The Authority has considered the issues raised by DCP011 and the Change Declaration dated 09 April 2008. The Authority has considered and taken into account the responses to ElectraLink's<sup>4</sup> consultation which are attached to the Change Report<sup>5</sup> and the recommendation of the DCUSA Parties. The Authority has concluded that:

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

<sup>2</sup> This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

<sup>3</sup> [http://epr.ofgem.gov.uk/document\\_fetch.php?documentid=12720](http://epr.ofgem.gov.uk/document_fetch.php?documentid=12720)

<sup>4</sup> The role, functions, and responsibilities of Electralink are set out in Section 1B of the DCUSA.

<sup>5</sup> DCUSA change proposals, change reports and representations can be viewed on the DCUSA website at <http://dcusa.co.uk/Public/Default.aspx>

1. implementation of the proposed variation will better facilitate the achievement of the Applicable DCUSA Objectives<sup>6</sup>; and
2. directing that the proposed variation be made is consistent with the Authority's principal objective and statutory duties<sup>7</sup>.

### **Reasons for the Authority's decision**

We consider this change to be largely good housekeeping, ensuring that the DCUSA remains consistent with the provisions of both the Distribution Licence and the BSC. We therefore agree with those respondents who suggested that the implementation of this change would further facilitate applicable objective c) of the DCUSA, '*the efficient discharge by the licensee of the obligations imposed upon it by [its] licence*'.

Several respondents also suggested that this change would better facilitate applicable objective b) '*facilitation of effective competition in the generation and supply of Electricity*'. Whilst this objective does not specifically extend to related markets such as metering services, we do consider that it is pertinent as competitively procured metering services may provide a means of differentiation, thereby facilitating effective competition between suppliers. To the extent that this proposal extends the level playing field for all Meter Operator Agents, we consider that it will marginally further facilitate applicable objective b).

### **Decision notice**

In accordance with Standard Condition 9B of the Distribution Licence, the Authority hereby directs that the proposed variation set out in DCP011: '*Distribution Standard Licence Condition 36, 36A & 36C review*' be made, and that it shall be implemented on 26 June 2008.



**Mark Feather**  
**Associate Director, Industry Code and Licensing**

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

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<sup>6</sup> As set out in the Distribution Licence Standard Condition 9B(9), see: [http://epr.ofgem.gov.uk/document\\_fetch.php?documentid=12773](http://epr.ofgem.gov.uk/document_fetch.php?documentid=12773)

<sup>7</sup>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.