

Proposed variation:	Distribution Connection and Use of System Agreement (DCUSA) DCP007: Change Determination Notices To Distributors (DCP007)		
Decision:	The Authority¹ directs that this variation be made²		
Target audience:	Parties to the DCUSA and other interested parties		
Date of publication:	05 October 2007	Implementation Date:	1 November 2007

Background to the proposed variation

As currently drafted the DCUSA assumes that Ofgem's determination of a Part 1 Change Proposal will be communicated to the Panel for implementation. This is inconsistent with Condition 9B 13(b) of the Distribution Licence which anticipates that Ofgem will direct each distribution licensee, in conjunction with one-another to amend the DCUSA.

The proposed variation

The proposed variation is to amend the provisions of the DCUSA to reflect Condition 9B of the Distribution licence. It also provides that each DNO and IDNO has a responsibility to forward a copy of the determination to the DCUSA Secretariat and that the receipt by the secretariat of any one such party shall be considered an instruction on behalf of all DNO and IDNO parties to amend the DCUSA in accordance with the determination.

Recommendation to Ofgem

Proposed variation

The recommendation of DCUSA Parties was for the proposed variation to be accepted. Of the Party Classes which voted (DNO, IDNO, and Supplier) over 50% of participants voting in each class favoured implementation of the proposed variation.

Implementation date

1 November was proposed as the implementation date. The DCUSA Parties recommendation was for the proposed implementation date to be accepted. Of the Party Classes which voted (DNO, IDNO, and Supplier) over 50% of participants voting in each class favoured implementation of the proposed variation.

The Authority's decision

The Authority has considered the issues raised by DCP007 and the final Change Report (CR) dated 17 August 2007. The Authority has considered and taken into account the responses to ElectraLink's³ consultation which are attached to the CR⁴ and the recommendation of the DCUSA Parties. The Authority has concluded that:

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

³ The role, functions, and responsibilities of Electralink are set out in Section 1B of the DCUSA.

⁴ DCUSA change proposals, modification 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 Objectives⁵; and
2. directing that the proposed variation be made is consistent with the Authority's principal objective and statutory duties⁶.

Reasons for the Authority's decision

There is a difference in the way in which the Distribution Licence and the DCUSA specify how notice of a direction is communicated. The change proposed by DCP007 will remove uncertainty in relation to this issue. This will better facilitate the achievement of Applicable DCUSA Objectives (c) and (d) by increasing certainty over regulatory decision making and by increasing the efficiency and clarity of the administration processes relating to the DCUSA.

Ofgem notes the legal text provides that the action of any one DNO or IDNO sending a change determination to the DCUSA Secretariat will be considered an instruction on behalf of all DNO and IDNO parties. As this drafting approach has been chosen by holders of distribution licences we anticipate that parties will take a responsible approach to this issue. We also note that DCP007 was supported by an usually high percentage of parties - 100% of all DNO and IDNO party votes in the recommendation process were in favour of implementation.

Decision notice

In accordance with Standard Condition 9B of the Distribution Licence, the Authority hereby directs that the proposed variation set out in DCP007: "Change Determination Notices To Distributors" be made, and that it shall be implemented on 01 November 2007.



Mark Feather

Associate Director, Industry Code and Licensing

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

⁵ As set out in the Distribution Licence Standard Condition 9B(9), see:
http://195.12.224.140/document_fetch.php?documentid=8378

⁶The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989.