

DCUSA DCP 114 and DCP 115 Consultation Responses – Collated Comments

Question One	<p>Please state your views on the proposed legal text as drafted for DCP 114? Provide supporting comments.</p> <p>1A. In the DCP 114 legal text, should it be specified that the explanation given in Clause 12.4.3 must be acceptable to the Company?</p>
British Sugar	British Sugar has no comment on this question
Food and Drink Federation	FDF has no comment on this question
British Gas	<p>The proposed drafting of 12.4 could be read as suggesting that the necessary actions that a customer should take to reduce the import and/or export of electricity to within the Maximum Import Capacity and/or the Maximum Export Capacity will be specified by the DNO. The legal text should make clear that ‘the actions’ that the DNO will specify to the customer are those in 12.4.1 – 12.4.4, rather than any instructions on how the customer shall reduce their import/export of electricity.</p> <p>We remain concerned that 30 days may be too short a time-frame for a user to properly assess their demand requirements for a site. Solutions to this problem could involve things like working shift pattern changes or investment in more efficient machinery. Putting aside implementation timescales, we consider that even the decision making process for these kind of changes are unlikely to be complete in 30 days. DNOs should work with customers to arrive at the most efficient outcome. The most efficient outcome could involve DNOs managing the situation for a period of time to allow the customer to make the necessary changes to reduce their demand.</p> <p>We would also note that DNOs stated on numerous occasions during the EDCM development that they find it difficult to locate the appropriate contacts for users of their network. Given these difficulties, it is inappropriate for a lack of response from a customer to the DNO notice to trigger any kind of restriction on their import/export of electricity (as 12.5.1 suggests would be possible).</p> <p>As we stated in our response to a previous consultation, we still consider it preferable for the legal text to include a definition of ‘material breach’ as well as how many material breaches would constitute a ‘repeated breach’ situation. This would add clarity and assist in a common application of the DNO powers as well as provide some safeguards against misuse or misapplication.</p> <p>1A. We are not convinced that it is necessary to specify that the explanation given in Clause 12.4.3 needs to be acceptable to the</p>

	Company since the proposed drafting at paragraph 12.5.4 (repeated breaches) would appear to provide the DNO with sufficient power to take appropriate action in instances where the issue has not been satisfactorily resolved.
Scottish Power Distribution	<p>SP Energy Networks agrees with the legal text drafted for DCP 114. We feel that the drafting offers customers and the Company a better course for dealing with those who continually exceed their authorised capacities.</p> <p>We agree that it should it be specified that the explanation given in Clause 12.4.3 must be acceptable to the Company. If no explanation is provided, there is a risk that customers will use this clause as a way of avoiding remedies offered by the Company.</p>
BT	<p>The proposed legal text for DCP114 appears consistent with the stated objectives and provides a useful enhancement to the current NTC, particularly in respect of a customer being able to appeal the notification.</p> <p>1A - No</p>
ENWL	<p>1.We consider that the legal drafting for DCP 114 is fit for purpose.</p> <p>1A. We agree that it should be specified that the explanation given in Clause 12.4.3 must be acceptable to the Company. The Company will be able to assess the implications of the Customer’s explanation and take appropriate action in accordance with Clause 12.5.</p>
E.on	We do not believe there is any need to change the NTC. The Distributor has the ability to raise a variation to the connection agreement at any time. There has been no evidence produced that this is an issue. The consultation itself states that this is only a “perceived” inhibition on the DNos ability to take action
Major Energy Users Council Response	No Comment
Northern Power Grid	<p>The proposed amendments will clearly define the rights for the DNO to take reasonable steps to address circumstances where customers over utilise their maximum import or export capacity to the detriment of other customers and/or the network.</p> <p>It would be helpful for customers to understand that the explanation given in Clause 12.4.3 must be acceptable to the Company as Clause 12.5.1 is clear about what will happen if the customer fails to take any of the courses of action referred to in Clause 12.4.</p> <p>Clause 12.4.3 could be phrased “provide to the Company satisfactory confirmation, together with an acceptable explanation why, that the Customer does not wish to take either course of action referred to in Clause 12.4.1 or 12.4.2 at this time; or”</p>
Npower	It is our view that 12.5 would apply if this were not the case. The additional term may cause confusion.
Franck	Question 1: It’s good.

Latremoliere	<p>Question 1A: No. The working group did not discuss the additional suggestion implied by question 1A. Requiring the explanation to be acceptable to the distributor would be unworkable (how could the customer know at the time of providing the explanation whether he will be in compliance with his contractual duties?) and unbalanced (especially if the distributor is not expressly obliged to act reasonably). It is also unnecessary to preserve the right of the distributor to enforce capacity limits. In cases where there is a connection agreement, that agreement is enforceable by the distributor if the customer is breaching it and not providing a good explanation. In cases where there is no connection agreement, the customer who continues to exceed without a good reason is in breach of Clause 12.3 even if he has complied with Clause 12.4, and this is expressly mentioned in Clause 12.5.4. There is no need to add complexity to Clause 12.4.3 in order to preserve the distributor's right to enforce capacity limits or to reject bad excuses by customers in breach.</p>
BOC Limited	No comment
Tata Steel UK Limited	<p>Clause 12.4 gives no definition of the period of time required to allow the customer to reduce import or export to within the MIC or MEC. Period in the notice should be at least 3 months or more as Customer may need to explore how to reduce demand to the appropriate level and/or make alterations to achieve those levels.</p> <p>1A. There may be a requirement that the explanation is reasonable but it should not be required to be made acceptable to the Company. The timescale for 12.4.4. may not be accepted by the DNO, in any case.</p>
Scottish Power Energy Retail	<p>We recognise that there is a risk that certain customers could take no action under Clause 12.4.3 This may in effect create the scenario whereby the customer provides the DNO with an explanation to their intent but may not address the customer's obligation to make any necessary modification to address the capacity breach. This could result in the breach continuing indefinitely. I would therefore agree that timescale should be subject to the Company's approval.</p>
SSE Power Distribution	<p>Clause 12.4 - the draft legal text proposes 30 Working Days and this should be reduced to 30 'calendar' days in our view.</p> <p>Clause 12.4.3 – we believe that the Customer explanation referred to should be qualified by the word 'reasonable' rather than 'acceptable to the Company'.</p> <p>Clause 12.5.7 – we question the value or likelihood of demand controlling equipment being installed at the connection point. If the DNO believes that the breach creates danger (as the text states), it should de-energise. We therefore suggest deletion of this part of the CP.</p>
SSE Energy Supply	<p>We support the proposed legal text, and the explanation given in the clause must be acceptable to the Company</p>
UK Power Networks	<p>Whilst we support the text as written we do see benefit in the Customer, pursuant to Clause 12.4.3, elaborating their reason for not seeking an increase in agreed capacities or seeking a Modification. In particular the detailed explanation should elaborate how the Customer is going to prevent usage exceeding the Maximum Import Capacity and/or Maximum Export Capacity.</p>

	<p>Note that 12.5.4 is reliant on such elaboration having been given and the actions available in the absence of such elaboration, other than for breach, are unclear.</p> <p>It should also be noted that the Maximum Import and Export Capacities are the maximum root mean squared values that are agreed that the customer can take. Practically, a distributor might observe maximum import and export capacity over very small periods, where peaks of usage could impact on other customers' quality of supply or the safety of the distribution system but which are not visible in 30 minute averaged metering values.</p>
Western Power Distribution	<p>The legal text does appear fit for purpose. We question however, whether the options open to the customer, as described in paragraphs 12.4.1 to 12.4.3 could be clarified in some manner to ease understanding.</p> <p>We also question whether 30 working days is too long for the customer to respond to a notice of breach. Would 20 working days (1 month) be more appropriate?</p>
Network Rail	None
Toyota UK	No Comment
GTC	<p>No. The Company is not necessarily a neutral arbiter in the process giving such a right to the Company seems unbalanced compared to the rights of the customer. . Not sure what 12.4.3 achieves. Points below outline the statutory process</p> <p>The process for Modifications seems unclear. There is confusion on when a modification notice should be submitted and by who. Not sure it is clear what the difference between 12.4.1 and 12.4.2 is. 12.4.1 deals with dealing with a contractual variation to the agreed capacity whereas 12.4.2 deals with modification of physical assets. The NTC defines Modification as meaning <i>"...in respect of a Party, any actual or proposed replacement, renovation, modification, alteration or construction by or on behalf of that Party to either that Party's Plant or Apparatus or the manner of its operation, which (in either case) has or will have a Material Effect on the other Party;"</i></p> <p>Therefore, it is not clear why it is the customer who has to issue a Modification Application for a breach of capacity. Particularly if such resulted from a change of working pattern that resulted in a breach since the customer is not seeking to modify his assets. This would appear to be an abuse of the Modification process which I think was originally crafted to deal with the modification of assets at the connection boundary.</p> <p>Where a customer requires additional capacity the only reasonable duty on the customer is to give a notice under and in accordance with Section 16 to 22 of the Act (propose a variation?). Provided the customer does this it would appear unreasonable for a distributor to place more onerous requirements on the customer or to be overly prescriptive on requirements it places on the customer in making such request.</p>

Following a request from the customer it would appear incumbent on the distributor to provide a notice setting out the work it needs to undertake to facilitate the additional capacity and the charges for such work

As an aside the term Modification Application is inconsistent with the definitions. The defined term is Application for a Modification.

The actions in respect of a capacity breach are:

- a. for the customer to warrant or give an undertaking that it will not breach capacity in the future;
- b. for the customer to propose a variation to increase the maximum capacity and will be required to pay the appropriate use of system charges for such capacity.

Where work is required to modify distribution assets to accommodate extra capacity:

- c. the distributor should provide a notice of the works that are required to accommodate the revised capacity along with the charges for such works;
- d. the customer will be required to accept/ agree to such works and the charges in undertaking the works;
- e. the customer will be required to pay the appropriate use of system charges for such capacity.

Where the customer exceeds the maximum capacity and such excess compromises the distribution system or other customers connected to the distribution system then the distributor is under a duty to take the remedies available to it under the ESQCRs/ E at W regs - as unpalatable as that may be.

Whilst a distributor may wish to have an option to waive additional capacity charges for spurious breaches of capacity. Persistent breaches should result in additional use of system charges on the same basis as customers who have secured such capacity (subject to system constraints).

Notwithstanding the above, consideration should be given to use of tariffs that give reduced capacity charges for additional capacity in off peak periods. However it is recognised that this is out of scope of this DCP114.

Also, capacity breach needs to be judged with reference to what the Maximum Import Capacity or Maximum Export Capacity. These terms are defined in the NTC as follows (emphasis to 'permitted' added)

***“Maximum Export Capacity”** means, in respect of a Connection Point (or the Connection Points collectively), the maximum amount of electricity (expressed in kW or kVA) which is **permitted** by the Company to flow into the Distribution System through the Connection*

	<p><i>Point (or the Connection Points collectively);</i></p> <p>“Maximum Import Capacity” means, in respect of a Connection Point (or the Connection Points collectively), the maximum amount of electricity (expressed in kW or kVA) which is permitted by the Company to flow from the Distribution System through the Connection Point (or the Connection Points collectively);</p> <p>Permitting the maximum amount of electricity that can be imported or exported would seem to be different to agreeing what that amount should be. If a bilateral agreement states an agreed capacity, and a distributor has not taken action to restrict such action then it may be reasonable to argue that the customer is not in breach of its maximum capacity because the company has permitted such an amount of electricity to flow. i.e. the company’s actions determine the maximum capacity; not the number stated in BCA as being the agreed capacity. A customer may make the case that an agreed capacity is guarantee from the company of the capacity that will be made available and not a restriction</p> <p>Not sure why Clause 12.5.7 is required. Assuming the Maximum Capacity is known, not sure why the Company requires specific permission to fit equipment that restricts capacity</p>
<p>Question Two</p>	<p>Please state your views on the proposed legal text as drafted for DCP 115? Provide supporting comments.</p> <p>2A. In DCP 115, do existing Clauses 19.2 and/or 19.3 of the NTC need to be amended in light of the proposed change to Clause 12.7?</p>
<p>British Sugar</p>	<p>British Sugar wishes to comment on the following:</p> <p>To provide rights to the DNO, within the NTC, to take appropriate action where a connected customer’s requirements are less than the maximum import capacity (MIC) and/or maximum export capacity (MEC) agreed for their connection.</p> <p>This change proposal recommends that the following rights are incorporated into the NTC:</p> <ol style="list-style-type: none"> 1. Ability for the DNO to reset MIC/MEC at a level aligned with customers’ actual usage. 2. Ability for the DNO to replace its equipment with apparatus more suited to customers’ actual requirements. 3. Ability for the DNO to de-energise a given connection point and reduce MIC/MEC to zero where no supply has been taken over a specified continuous period.

	<p>British Sugar objects to the proposal that would allow the DNO to reset the Maximum Import Capacity (MIC) and/or the Maximum Export Capacity (MEC).</p> <p>British Sugar operates four factories in UK each with a dedicated, on-site embedded CHP plant. Each factory site has a connection agreement that specifies maximum import capacity and export capacity, these values are invariably different such that the plants have a higher export than import capacity.</p> <p>British Sugar has paid capacity charges for import it rarely uses up to the maximum limit. The continued availability of the maximum agreed (and paid for) import facility (MIC) makes a valuable contribution to business continuity. Without access to standby power from the network an operator would need to buy and maintain a further generator to provide business continuity in the event of main plant unavailability. Similarly our holding company, ABF frequently adjusts its portfolio by selling and buying physical facilities. Often such facilities are dormant for a while but continue to pay charges etc. in accordance with the Connection Agreements. Significant financial value might be removed if MICs were adjusted downwards whilst the facilities were temporarily dormant.</p> <p>British Sugar has paid capacity charges for export it rarely uses up to the maximum limit. The continued availability of the maximum agreed (and paid for) export facility (MEC) allows us to investigate further additional generation projects. An existing generation site is a natural host for further development due to the synergies that exist. Reducing MEC arbitrarily will greatly add to the risk and costs of potential new generation projects.</p> <p>We cannot see how a DNO can justify a unilateral change to an historic, contractual arrangement which we rely on for the continued stability of our manufacturing business.</p>
Food and Drink Federation	<p>FDF does not wish to comment in detail on the legal text however FDF does wish to comment on the principle as recorded in the following:</p> <p>To provide rights to the DNO, within the NTC, to take appropriate action where a connected customer's requirements are less than the maximum import capacity (MIC) and/or maximum export capacity (MEC) agreed for their connection.</p> <p>This change proposal recommends that the following rights are incorporated into the NTC:</p> <ol style="list-style-type: none"> 1. Ability for the DNO to reset MIC/MEC at a level aligned with customers' actual usage.

	<p>2. Ability for the DNO to replace its equipment with apparatus more suited to customers' actual requirements.</p> <p>3. Ability for the DNO to de-energise a given connection point and reduce MIC/MEC to zero where no supply has been taken over a specified continuous period.</p> <p>FDF objects to the proposal that would allow the DNO to reset the MIC.</p> <p>Many food and drink manufacturing facilities in the UK make use of CHP plant either as owner operators or via third party energy service providers.</p> <p>FDF objects to the proposal to allow a DNO to adjust the MIC downwards because the removal of this right could have an adverse effect on the potential for site based generators and CHP plants that use the distribution network as their standby.</p> <p>If on-site plant has been running well, then facility operators will not have imported much (if any) electricity and their use of the import facility will be zero or near zero. Such operators may, however have made a capital contribution for the reinforcement and will be making ongoing payments under the capacity charging mechanisms. Facility operators will be content to make such payments in order to assure an adequate supply of power in the event of a generation plant failure. But under these plans their ability to access adequate levels of power could be cut by the DNO. If that were to be allowed, and if an on-site generator / CHP failed then the operator will have to stop production because he can't now input power to keep the factory running! To avoid this risk, the operator may need to buy a standby generator and, therefore, spend even more capital on top of the reinforcement costs and monthly capacity charges already paid. This is clearly unfair.</p> <p>The need for additional standby plant will likely have an adverse effect on the economics of any future combustion based CHP.</p> <p>We cannot see how DNOs can justify a unilateral change to historic, contractual arrangements which the food and drink industry relies on for the continued stability of our manufacturing businesses.</p>
British Gas	<p>As we stated in our response to the first consultation, we agree with the principle that DNOs should seek to utilise spare capacity before reinforcement however customers that have signed connection agreements with a DNO should be able to expect that the terms of the connection agreements will be fully respected. Any reductions in agreed capacities must be agreed by the customer and should be accompanied by appropriate refunds of the original connection charges paid for by that customer. We do not agree that a DNO should be able to enforce a reduction in capacity where a customer has paid for that capacity at connection and believes that they still require it either in the short, medium or longer term.</p> <p>In relation to Generation sites, it is not good for security of supply to be able to force a reduction in capacity if load factors are significantly reduced or even capacity due to volatility of fuel prices leading to fluctuating running profiles year on year. E.g. a CCGT plant running very high load factors over 2008 to 2010 and now very low load factors over 2011 to 2013 but with the likelihood to</p>

	<p>increase post LCPD coal closures. Low load factors may actually be combined with lower capacity as well. The ability for such sites to flex their output within their current agreed capacity is necessary to provide security of supply with varying commodity prices and with volatility of renewable output. It may be that CCGT plants operate in open cycle (OCGT) or with fewer gas turbines available on multi GT sites, meaning that the full agreed capacity is not utilised for a period of time. This flexibility allows NGC to procure services from the most efficient lowest cost generators while providing security of supply.</p> <p>In relation to the legal text, we consider that the appropriate process to follow when a DNO wishes to reduce the maximum import/export capacity of a customer is the Modification Notification process. Since the change is being instigated by the DNO it is appropriate that any advice and assistance reasonably requested by the Customer to enable the Customer adequately to assess the implications is provided by the DNO free of charge to the customer i.e. existing clause 14.9.1 of DCUSA should apply instead of 14.9.2. The proposed paragraph 12.8.2 which states that the DNO will provide the Customer with a Modification Offer “as if the Customer had submitted a Modification Application” would seem to imply that 14.9.2 would apply i.e. the customer would also have to pay for advice and assistance, which does not seem appropriate to us.</p>
Scottish Power Distribution	<p>SP Energy Networks agrees with the proposed legal text as drafted for DCP 115. There are a few queries which should be considered by the Working Group in relation to de-energised sites.</p> <p>If a site is de-energised, the likelihood is that there will be no customer present. Therefore additional checks (Companies House) must be done to try and establish where the notices should be issued to, as the occupier may not be there anymore.</p> <p>If the Company issues two notices to a customer but does not receive a response – are we allowed to progress with disconnection if we show that we have attempted to make contact with the customer or does the Company require customer to confirm receipt and respond?</p> <p>Billing the customer for the physical disconnection may be difficult if a change of tenancy has taken place – how will we establish this?</p> <p>2A. SPEN do not feel that the existing Clauses 19.2 and/or 19.3 of the NTC need to be amended in light of the proposed change to Clause 12.7.</p>
BT	<p>As with DCP114, the proposed drafting appears to deliver the stated objectives of DCP115.</p> <p>2a - No</p>
ENWL	<p>2. We consider that the legal drafting for DCP 115 is fit for purpose.</p> <p>2A. We do not consider that clauses 19.2 and/or 19.3 require amending as clause 12.6 and 12.7 should satisfy the requirements of these clauses.</p>

E.on	We do not believe there is any need to change the NTC. The Distributor has the ability to raise a variation to the connection agreement at any time. There has been no evidence produced that this is an issue. The consultation itself states that this is only a “perceived” inhibition on the DNos ability to take action
Major Energy Users Council Response	<p>We have a number of issues with the legal drafting and the objectives behind it:</p> <ol style="list-style-type: none"> 1.Clause 12.6. The use of the term “Customer” is too vague. Many connection agreements are old and the DNO may not know who the Customer’s authorised representative is. Unless agreed otherwise notice should be directed to the Customer’s Company Secretary by name and formal confirmation given that it has been received. 2.Clause 12.7. We object to the term “reasonably considers” in this context as it is framed to the advantage of the Company. If the Customer does not agree it should be automatically referred to the Authority. 3.Clause 12.8. It is not clear from this clause what is defined by import (and export) of electricity. We suggest it is replaced by a term implying maximum demand. Furthermore 12 months is too short particularly in present economic times. 4.Clause 12.8.2 The term “average” may take no account of load factors, shift working, seasonal demand, sites with renewable energy, CHP, etc – see above clause – “peak capacity” or “peak demand” would be a more appropriate terms. 5.General Points: If a Customer has contributed to the cost of reinforcement, he should be compensated for the freeing up of capacity, particularly if at any time in the future a new Customer and/or the Company have as a consequence benefitted financially from a reduced cost in providing the connection to a new Customer.
Northern Power Grid	<p>The proposed amendments will clearly define the rights for the DNO to take reasonable steps where a connected customer’s requirements are less than the maximum import or export capacity to the detriment of other customers and/or the network.</p> <p>It would be better to amend Clauses 19.2 and/or 19.3 to clarify when the under-utilisation of capacity justifies a termination. Alternatively clarity could be provided on whether Clause 19.3.2 already covers this issue.</p>
Npower	There should be a change, whilst the new clause and process indicate the DNO is no longer responsible for maintaining the connection, there is a conflict between timescales. This could be resolved by either amending 19.2 and/or 19.3 or amending the 12.7 wording ‘immediate effect’ and retain the notice period. This would be our preference and may allow customers opportunity for any final representation.
Franck Latremoliere	<p>Question 2: No comment.</p> <p>Question 2A re Clause 19.2: No. The current Clause 19.2 allows for one form of termination by notice. It does not conflict with the additional right of termination by notice provided by the new Clause 12.7. But the document would be easier to read if the new Clauses 12.6 and 12.7 were moved to be near Clause 19.2, perhaps under a “Termination for non use” subheading.</p> <p>Question 2A re Clause 19.3: No. The current clause 19.3 is about termination for breach or financial difficulty and should not be changed for DCP 115, because DCP 115 does not relate to any kind of breach or financial difficulty.</p>

BOC Limited	<p>Strongly disagree with 12.8</p> <p>With respect to where if the import does not exceed 75% of the MIC in a 12 month period then the Company can reduce the MIC</p> <p>In recessionary conditions then we have a number of sites where we would have fallen foul of this yet still had contractual obligations to be able to supply gas to our production maximum. The risk is that when we need to turn production back up to meet demands that the capacity will no longer be available and that we will end up facing long delays to get reinforcement works and pay for the associated costs. In either event the application process to reinstate our MIC back to 'normal' will delay our ability to respond to customer production requirements.</p> <p>This modification would prove an unacceptable constraint.</p>
Tata Steel UK Limited	<p>Re Clause 12.8 Where the affected site is being marketed for 'sale as a going entity' reduction in the capacity could affect the saleability of the property. There should be a time period of up to 18 months where further action is not taken once the customer has confirmed the position.</p>
Scottish Power Energy Retail	<p>It is unclear whether Clauses 19.2/19.3 needs to be amended to mirror the proposed change to clause 12.7. Further discussions could be beneficial to investigate this point.</p>
SSE Power Distribution	<p>Clause 12.8 – we believe that the period of 12 consecutive months may be seen as unreasonably short, particularly due to effects of industry recession or plant unavailability. We would suggest that this should be a minimum of 24 months.</p> <p>This period seems more reasonably aligned with normal reservation of network capacity for new projects, such as wind farms. Typically, these have multi-year planning / development periods during which they generally use none of their contracted capacity. In some cases, such projects are never connected because they fail to gain planning consent. We feel that DNOs could have difficulty in justifying markedly different powers and/or practices in relation to periods of unused capacity.</p> <p>General – DCP114 has provisions for the Customer to provide an explanation of their position and intentions, along with reference to the disputes procedure, whereas DCP115 does not. We suggest that similar arrangements should be explicit in the legal text associated with DCP115.</p>
SSE Energy Supply	<p>We support the proposed legal text. But don't believe (Clauses 19.5.2 and 19.5.3 ?) require amending</p>
UK Power Networks	<p>In general we are supportive of the text.</p> <p>However some aspects need further consideration and we set these out below.</p> <ul style="list-style-type: none"> In applying Clauses 12.6 and 12.8 we would expect diligence to be applied to scenarios such as multiple connections that provide resilience, whether that be normally available 'hot standby/resilience' or normally unused 'cold standby', the latter potentially involved normally de-energised connections, and the many customers whose usage is sustainably low due for example to embedded

	<p>non-exporting generation or due to exceptionally used plant items. There are other customers whose usage is ostensibly low as they have requested higher capacities of connection to cater for disturbing loads or peak starting current requirements that are not visible in half hourly metering measurements. In addition, periodic cycles over a period greater than one year can apply e.g. environmental or economic factors.</p> <ul style="list-style-type: none"> We question whether the wording of Clause 12.8's final sentence, below sub-clause 12.8.2, should refer to the Company having taken into account the Customer's maximum import and maximum export observed in the previous 12 months instead of the reference to 'average'. We believe it needs to be made clear e.g. in final Change Report, that when the Company serves a Modification Offer, as if the Customer requested a Modification, that the Customer remains entitled to refuse and dispute the Modification Offer. The controls in Clause 14 (Modifications) act to protect the Customer and afford them a route of dispute and referral.
Western Power Distribution	<p>The legal text does appear fit for purpose.</p> <p>With regard the calculation of the revised capacity under 12.8, we assume that it is at the DNO's discretion as to what this is bearing in mind the minimum value is based on the average in the last 12 months? Another method may be to take the maximum value recorded in the last 12 months.</p> <p>We do not think existing clauses 19.2 and/or 19.3 need to be amended.</p>
Network Rail	<p>We are concerned that there does not seem to be any exception provisions. For our Traction Electricity network supplies, we agreed capacities for many of our connections that allow us to provide back-up for adjacent connections if they are taken off-line for maintenance. It is entirely possible that the additional back-up capacity would not be used for a 12 month period but we would not want this to be automatically reduced.</p> <p>We would wish to see provisions made for such exceptions in the drafting.</p>
Toyota UK	No Comment
GTC	<p>The points to Question 1 above in respect of DCP 114 also apply to DCP115.</p> <p>We think Clauses 19.2 and 19.3 of DCUSA relate to assignment. The consultation does not appear to set out why the working group feel this question needs to be addressed.</p> <p>There will always be some ambiguity as to who the customer is since the customer may have changed several times without any formal assignment of terms. Therefore it is uncertain as to what rights are assumed, from who to who, and with whose agreement. If a customer is only subject to connection terms (and not to a bilateral agreement (which is often the case for a mature site) how is the assignment managed.</p>

	<p>Clause 12. 6 is inconsistent with clause 6 of the NTC in that Clause 6.3 entitles the Company to disconnect a connection if it is de-energised for a continuous period of 3 months. The proposed Clause 12.6 is that the de-energisation period is 6 months or more.</p> <p>Clauses 25.15 to 25.20 of DCUSA describe the disconnection procedure. For disconnection to take place a Disconnection Notice must have been given by the User. The drafting of this clause suggests that the ONLY circumstance that such notice can be sent is where there is “...no reasonably foreseeable future use of the Metering Point or Metering System...”. This would appear to be a higher test than that proposed in the NTC. De-energisation for 3 months (or 6 months) does not on its own qualify a site as having no reasonably future use.</p> <p>The drafting of Clause 12.8 appears to allow 12.8.1 and 12.8.2 to be exclusive of each other (i.e. it is 12.8.1 or 12.8.2). We think that in the circumstances described 12.8.1 will always apply and that 12.8.2 will be in addition where work on the assets is required.</p> <p>We have concerns as how the maximum capacity can be varied from an unknown or unstated baseline. This will be the case for premises that have been subject to NHH billing where no capacity charges are levied.</p>
Question Three	Do you agree with the implementation date of DCP 114 & 115?
British Sugar	No, we do not agree with the implementation of DCP 115 at all.
Food and Drink Federation	No, we do not agree with the implementation of DCP 115 at all.
British Gas	If the changes were approved we can see no reason to delay implementation.
Scottish Power Distribution	We agree with the implementation date of the first release following Authority consent. There are minimal system changes required to implement this change and internal processes are not hugely impacted
BT	Yes
ENWL	We agree with the implementation date of the first release after Authority consent.
E.on	We do not believe there is any need to change the NTC. The Distributor has the ability to raise a variation to the connection agreement at any time. There has been no evidence produced that this is an issue. The consultation itself states that this is only a “perceived” inhibition on the DNos ability to take action
Major Energy Users Council	Not until the above has been dealt with.

Response	
Northern Power Grid	Yes
Npower	Parties should be given 6-9 months to implement changes once approved.
Franck Latremoliere	Yes.
BOC Limited	The content is more important than the timing.
Tata Steel UK Limited	The implementation date of 'first release after a decision by the authority' would see to give little time for Customers to adjust their position and/or behaviour on these matters prior to being required to by the DNO. A period of time to allow for communication or adjustment ahead of the implementation could be incorporated.
Scottish Power Energy Retail	Scottish Power believe that implementation at the next standard release date following approval would be a sensible approach.
SSE Power Distribution	Yes
SSE Energy Supply	Yes
UK Power Networks	Yes.
Western Power Distribution	Yes
Network Rail	N/A
Toyota UK	See notes under Q5 below
GTC	Yes
Question Four	Are you aware of any wider industry developments that may impact upon or be impacted by this CP? If so, please give details.
British Sugar	<p>Introducing DCP 115 will have significant adverse effects on the economics of existing site based generation plants and the investability of future site based generation projects.</p> <p>This is at odds with the government requirement for maintaining existing and bringing forward new, low carbon generation under RO,</p>

	FiTs and EMR etc.
Food and Drink Federation	<p>Introducing DCP 115 will have significant adverse effects on the economics of existing site based generation plants and the investability of future site based generation projects.</p> <p>This is at odds with the government requirement for maintaining existing and bringing forward new, low carbon generation under RO, FiTs and EMR etc.</p>
British Gas	No
Scottish Power Distribution	No, we are not aware of any wider industry developments that may impact upon this CP.
BT	No
ENWL	We are not aware of any other industry developments which may be impacted by this CP.
E.on	There are further DCPs within the DCUSA change process that are also trying to codify perceived problems with the contractual agreement between Distributors and their customer. We do not believe this an appropriate course of action. The attempts to change the basis on which these contracts were signed by altering NTC and industry codes is not transparent enough to all customers they may be impacted by change. No compelling evidence has been produced to justify change. In the first instance Distributors should be addressing with individuals any defect with their individual site agreement and making them more aware of what arrangements these contracts contain. There is evidence that has been produced that customers are unaware of the conditions of a site agreement that exists, but may not have been signed by them, that is still in force. It would seem sensible to concentrate on the problems that exist by discussion with parties concerned before changes of this nature are raised.
Major Energy Users Council Response	No comment
Northern Power Grid	No, not at this time.
Npower	Potentially, implementation of P272 could result in increased numbers of capacity arrangements. Actual impact is partly dependent on the DCUSA DUOS solution to P272 single site billing and related arrangements.
Franck Latremoliere	<p>Distributors subject to Ofgem RIIO-ED1 price controls might need to resubmit lower-cost business plans if DCP 114 is approved, to reflect their improved ability to enforce capacity limits and thereby reduce reinforcement expenditure or have more of it covered by connection charges.</p> <p>Distributors subject to Ofgem RIIO-ED1 price controls might need to resubmit lower-cost business plans if DCP 115 is approved, to reflect their ability to stop maintaining capacity to some unused sites.</p>
BOC Limited	None identified.

Tata Steel UK Limited	None identified.
Scottish Power Energy Retail	It is important to consider the impact of P272 that seeks to increase the volume of HH sites in a short time period with further considerations to DCP179 where it has been suggested that a fixed capacity charge may be introduced to non CT Metered tariff types to get a better alignment between NHH and HH charging.
SSE Power Distribution	No
SSE Energy Supply	Proposed implementation of P272 Mandating of Profile Classes 5 – 8 to Half Hourly
UK Power Networks	We are not aware of any broader industry developments impacting upon the change.
Western Power Distribution	No.
Network Rail	N/A
Toyota UK	No Comment
GTC	This would appear to have relevance to Demand Side Management. Hence the reference to developing tariffs that allowed cheaper capacity charges in off peak periods for the system
Question Five	Are there any alternative solutions or matters that should be considered by the Working Group?
British Sugar	The adverse effect of this proposal on existing and potential new embedded generators should be particularly considered.
Food and Drink Federation	The effect of this proposal on embedded generators should be particularly considered.
British Gas	No comments
Scottish Power Distribution	We are not aware of any alternative solutions or matters that should be considered by this Working Group.
BT	No
ENWL	There are no alternatives that should be considered by the group.
E.on	See comments to 4 above.
Major Energy Users Council Response	All the points above

Northern Power Grid	No
Npower	<p>Included below are a few points which would be helpful to discuss at the next workgroup meeting, generally regarding intent of the DCP's and potential impacts to end Customers:</p> <ul style="list-style-type: none"> •Is there sufficient protection in existing arrangements to ensure new customers (Change of Occupier, COO) will not be required to pay for removal of any capacity limiting equipment at site on agreement of a new capacity agreement? •Will charges for capacity limiting equipment be levied directly to the Customer by the DNO? •DCP115, if no response is received from the Customer, is it the intent of the working group that the capacity reduction should go ahead? This could be to the customers detriment. •What is the group view, given the potential negative financial impact to Customers, on whether correspondence should be signed for on receipt when initiating either the over or under utilisation process?
Franck Latremoliere	No.
BOC Limited	<p>Yes – do not change, especially DCP 115.</p> <p>If the distribution system is in need of reinforcement then the new customers should be the ones picking up the costs, and not to reduce the MIC from established customers, with contractual obligations to their customers. The risks to our business of not having the import capacity available, without time delays and potential reinforcement costs, are too great to accept this modification.</p>
Tata Steel UK Limited	<p>Yes, leave as is. The current regime has the benefit of allowing customers to pay for the capacity they currently need to have. With the parties being free to discuss alternative capacities. Under the National terms of Connection the DNO is not obliged to allow the import or export of power above the MIC/MEC levels, and the customer is required to stay within those limits, and the DNO has the right to de-energise the site should the customer exceed the limits. These seem adequate powers.</p> <p>Yes, at present excess capacity is charge at the same rate as the MIC/MEC. Charging a higher penalty rate, where it can be fully justified based on creating a need for network re-enforcement, may assist in ensuring that customers stay within their MIC or MEC limits and help protect other users.</p> <p>See comments in 2. above to allow for site to be sold as 'a going entity'.</p>
Scottish Power Energy Retail	<ul style="list-style-type: none"> •We believe that further considerations could be discussed to consistency and transparency between DNO companies in the method of calculation, the communication process to suppliers & customers and the method and content of communication. . •DNOs need to ensure that the communications to customers is relevant and contact details are accurate.

	<ul style="list-style-type: none"> •DNO systems and processes need a robust means of capturing and recording feedback from customers who may have very valid reasons for a temporary breach or period of under-utilisation •DNOs must have available accurate connection agreement records to ensure the benchmark basis of the breach is reliable •What steps will be taken to ensure that calculation method for over-utilisation and under-utilisation is transparent and consistent across DNO area's •Potential to have a New DTC Flow to cope with the increased volume of change and to provide a clear audit trail. This should include sending the capacity to a new supplier following a Change of Supplier as well as updating suppliers as and when the capacity changes. All communication should be via the DTN to ensure a clear audit process for both DNOs and suppliers.
SSE Power Distribution	None that we are aware of.
SSE Energy Supply	No
UK Power Networks	We do not believe so.
Western Power Distribution	Not that we are aware of.
Network Rail	N/A
Toyota UK	<p>Whilst the sentiment behind the proposed changes to the DCUSA is understood, the removal of under-utilised MD capacity (section 12.8 via DCP 115) poses a threat to the flexibility of the customer to be able to respond to increased demand within any short timescale.</p> <p>Toyota UK's production levels, and therefore energy requirements, are entirely market driven and can be required to change at short notice. The removal of flexibility to respond to market demands threatens future growth and job security.</p> <p>As such, there should be an option for the customer to retain its booked (and paid for) capacity by some process of resolution in the event that future demand increase is still a reasonable expectation.</p> <p>In TMUK's particular case, the removal of maximum demand capacity would also render our previous multi million pound investment in infrastructure useless if the capacity is removed to feed the substation.</p> <p>We would therefore strongly oppose the introduction of these changes to the agreement.</p>
GTC	See comments above. Whilst we support the intent of the CPs we think the Modification Approach is the incorrect process to be used. The issue here is as much about DUoS charging as it is about managing connection arrangements.