



DCUSA Change Report

DCP 079 - Statutory Application of NTC

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 079 – Statutory Application of NTC. The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.
- 1.2 Parties are invited to consider the proposed amendments (Appendix A), together with the consultation documentation (Appendix B) and submit their votes using the form attached as Appendix C to dcusa@electralink.co.uk by 15 September 2011.

2 SUMMARY

- 2.1 DCP 079 has been raised by UK Power Networks. The CP seeks to inform readers that the National Terms of Connection (NTC) set out Statutory terms pursuant to section 21 of the Electricity Act.
- 2.2 In the course of consulting on revisions to the NTC for the purposes of DCP 033 – Connection Terms (which is available on the [DCUSA website](#)), UK Power Networks (then EDF Energy Networks) proposed that section 21 of the Electricity Act enables Distributors to specify terms that will have automatic (statutory) effect, and proposed that the NTC be stated to comprise such statutory terms. In order not to delay the revision of the NTC, it was agreed that this issue would not be resolved as part of DCP 033, and would be considered again in the future.
- 2.3 Now that DCP 033 has been approved and implemented this CP seeks to take the issue forward. DCP 079 takes into account the comments from the DCP 033 Consultation and the fact that some parts of UK Power Network's submission have already been included in the NTC.

3 DCP 079 – WORKING GROUP

- 3.1 The DCUSA Panel established a Working Group to assess and develop DCP 079.
- 3.2 The DCP 079 Working Group met on 4 occasions and consisted of representatives from Distributors, Suppliers and Ofgem.

4 CONSULTATION

- 4.1 The Working Group carried out a Consultation to give Parties an opportunity to review and comment on the CP.
- 4.2 The Consultation was drafted with input from Ofgem and was reviewed by Wragge and Co (Appendix B). The Consultation distribution list was recommended by Ofgem and consisted of DCUSA Parties, DCMF members, Customers, consultants, trade associations, city councils and Consumer Focus. The consultation documents and the Working Group's responses to them are attached as Appendix B.
- 4.3 In summary, the majority of respondents understood the CP and were supportive of its intent. Particular questions were raised regarding the extent of the application of the terms and in the impact on existing connections and connection agreement.
- 4.4 The Working Group issued a note to all consultation respondents clarifying a number of the questions raised as well as a consultation response document. The note clarified that:
- The implementation of DCP 079 will mean that the NTC applies to all new and existing connections in the absence of any other agreement (i.e. Supply Contract or a bespoke Connection Agreement with a DNO);
 - Where existing agreements are in place they will remain so; and
 - DCP 079 does not seek to amend any of the existing provisions of the NTC or any other legislation.
- 4.5 The Working Group also issued an invitation to all recipients of the DCP 033 and DCP 079 Consultations, asking them to provide any further feedback on the responses made to the consultation and, if they so wished, to attend the final Working Group meeting, in order to address any of their comments on the CP.

- 4.6 No responses were received to this invitation.
- 4.7 The Working Group considered that there will be no material impact on Suppliers as a result of this CP as the mechanism by which the NTC is referenced in Supplier contracts is unaltered.

5 PROPOSED LEGAL DRAFTING

- 5.1 The proposed legal drafting of DCP 079 has been drafted by Wragge and Co and is attached as Appendix A.

6 EVALUATION AGAINST THE DCUSA AND CHARGING OBJECTIVES

- 6.1 The Working Group considered the consultation responses in this area regarding whether DCP 079 better facilitated each DCUSA General Objectives.
- 6.2 The Working Group agreed to the following:
- Objective 1¹ – Better facilitated. The CP enables Distributors to ensure that Customers are clearly covered by the NTC in the absence of a bi-lateral connection agreement, which limits their liability.
 - Objective 2 – No impact identified.
 - Objective 3 – No impact identified.
 - Objective 4² – Better facilitated. The applicability of the NTC's terms is clearer which will make it easier to interpret for both Customers and Distributors.

7 IMPLEMENTATION

- 7.1 DCP 079 is classified as a Part 1 matter in accordance Clause 9.5.5 of the Agreement because the CP seeks to amend Schedule 2B.
- 7.2 The implementation date of DCP 079, once approved, will be the first DCUSA release following Authority Consent.

¹ The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System

² The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under

8 ENGAGEMENT WITH THE AUTHORITY

- 8.1 Ofgem has been fully engaged throughout the development of DCP 079 as a member of the Working Group.

9 PANEL RECOMMENDATION

- 9.1 The Panel approved this Change Report at its meeting on 31 August 2011. The Panel considered that the Working Group had carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 079.
- 9.2 The DCUSA Panel agreed with the Working Group assessment of the Change Report, that only IDNO and DNO Parties are impacted by the change. However the Panel agreed to issue the vote to all DCUSA Parties for transparency.
- 9.3 The Panel recommended that should a Supplier or DG submit a vote they complete the comments box on the voting form to detail the impact of the CP on their organisation to assist Ofgem in its determination process
- 9.4 The timetable for the progression of the Change Proposals is set out below:

| Activity | Date |
|---------------------------------|---|
| Change Report issued for voting | 01 September 2011 |
| Voting closes | 15 September 2011 |
| Change Declaration | 16 September 2011 |
| Authority Determination | 21 October 2011 |
| CP Implemented | First DCUSA release following authority consent |

10 APPENDICES:

Appendix A - DCP 079 - Legal Drafting

Appendix B - DCP 079 – Consultation Documents and Working Group Comments

Appendix C - DCP 079 - Voting Form