

DCP 275 Draft Legal Text

Code Governance Review 3 & SLC 22

Add the following definitions:

Authority Change Proposal	<p>means modifications proposed to this Agreement:</p> <p>(a) where the Authority reasonably considers the modifications are necessary to comply with or implement the Regulation on Cross-Border Exchanges in Electricity and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and/or</p> <p>(b) in respect of a Significant Code Review (including where the Authority has issued a statement in accordance with Condition 22.9E(bb) of the Distribution Licences and/or a "back-stop" direction in accordance with Condition 22.9ED of the Distribution Licences).</p>
Authority-Led Change Proposal	<p>means an Authority Change Proposal in respect of which the Authority considers that there has been sufficient consultation outside of the processes set out in this Agreement such that it is unnecessary to submit the proposal to the Definition Procedure.</p>

Amend the following definition:

Significant Code Review Phase	<p>means the period commencing on the start date of a Significant Code Review as stated by the Authority <u>(or recommencing on the date of a "back-stop" direction under Condition 22.9ED of the Distribution Licences),</u></p>
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	<p>and ending <u>in accordance with Condition 22.9E of the Distribution Licences</u>;</p> <p>(a) on the date on which the Authority issues a statement that no directions will be issued in relation to the Significant Code Review and this Agreement; or</p> <p>(b) if no statement is made, on the date on which a Change Proposal is submitted by a DNO/IDNO Party in accordance with directions issued by the Authority in relation to the Significant Code Review; or</p> <p>228 days after the Authority publishes its Significant Code Review conclusions if the Authority issues no such statement or directions within such period of 28 days.</p>
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Amend Clause 3 (DCUSA Objectives) as follows:

3.1 The objectives of this Agreement (such objectives being the **General Objectives**), except in respect of the Charging Methodologies, are set out in Condition 22 of the Distribution Licences. For ease of reference, the General Objectives are set out below using the terminology of this Agreement (but in the case of any inconsistency with the Distribution Licences, the Distribution Licences shall prevail)~~shall be:~~

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

3.1.2 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;

- 3.1.3 the efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences; and
 - 3.1.4 the promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it; and
 - 3.1.5 compliance with the Regulation on Cross-Border Exchanges in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.
- 3.2 The objectives of this Agreement in respect of the Charging Methodologies only (such objectives being the **Charging Objectives**) are set out in Condition 22A of the Distribution Licences. For ease of reference, the Charging Objectives are set out below using the terminology of this Agreement (but in the case of any inconsistency with the Distribution Licences, the Distribution Licences shall prevail)~~shall be~~:
- 3.2.1 that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence;
 - 3.2.2 that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences);
 - 3.2.3 that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business; and
 - 3.2.4 that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business; ~~and~~
 - 3.2.5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchanges in

Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and-

3.2.6 that compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.

Amend Clauses 10.2.5 as follows:

10.2.5 the Authority or a DNO/IDNO Party acting at the direction of the Authority (in each case only in relation to ~~amendments which the~~ Authority Change Proposals~~reasonably considers are necessary to comply with or implement the Regulation on Cross Border Exchanges in Electricity and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators~~).

Amend Clauses 11.9A as follows:

11.9A The Definition Procedure shall not apply to Authority-Led Change Proposals. In respect of all~~Where the~~ Authority ~~reasonably considers that the~~ Change Proposals~~is necessary to comply with or implement the Regulation on Cross Border Exchanges in Electricity and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators~~, the Authority may by direction specify and/or amend:

11.9A.1 the timetable to apply to each stage of the Assessment Process for the Change Proposal; and/or

11.9A.2 the date from which the variation envisaged by the Change Proposal is to take effect.

Amend Clause 14.9 as follows:

14.9 Without prejudice to Clause 14.8, ~~in respect of anywhere the~~ Authority ~~reasonably considers that the~~ Change Proposal ~~is necessary to comply with or implement the Regulation on Cross Border Exchanges in Electricity and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators, then:~~

- (a) the Authority may direct that a new implementation date be substituted for the first such date; and
- (b) where the Authority makes such a direction, the implementation date directed by the Authority shall have effect in substitution for the first such date, and the duties of the Panel and of each Party under this Clause 14 shall be defined by relation to the date so directed.

Add a new Clause 11.29A as follows:

11.29A Where the Authority issues a "back-stop" direction under Condition 22.9ED of the Distribution Licences in respect of one or more Change Proposals, those Change Proposals (including any alternatives) shall be deemed to have been withdrawn (and Clause 11.31 shall not apply in respect of the withdrawal of those Change Proposals).

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