

DCUSA DCP 263 Consultation responses – collated comments

Company	Confidential/ Anonymous	1. Do you understand the intent of DCP 263?	Working Group Comments
Anonymous	Anonymous	Yes	Noted.
Electricity North West	Non-confidential	Yes, we do understand the intent.	Noted.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	Yes	Noted.
Reckon LLP	Non-confidential	I think so. The intent seems limited to imposing the DNOs' NTC on operators of associated distribution systems.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes.	Noted.
SP Distribution / SP Manweb	Non-confidential	Yes	Noted.

The Electricity Network Company	Non-Confidential	Yes	Noted.
UK Power Networks	Non-confidential	Yes	Noted.
Western Power Distribution	Non-confidential	Yes.	Noted.

Company	Confidential/ Anonymous	2. Are you supportive of the principles of DCP 263?	Working Group Comments
Anonymous	Anonymous	Yes	Noted.
Electricity North West	Non-confidential	We are supportive of the principles.	Noted.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	Yes	Noted.
Reckon LLP	Non-confidential	n/a	
Southern Electric Power Distribution plc and Scottish	Non-confidential	Yes.	Noted.

Hydro Electric Power Distribution plc			
SP Distribution / SP Manweb	Non-confidential	Yes	Noted.
The Electricity Network Company	Non-Confidential	Yes, we are broadly supportive of the principles of this change proposal. We do not believe, in an ideal world, that there ought to be instances of connections to licenced distribution systems whereby those connections are not covered by a connection agreement (including the National Terms of Connection).	Noted.
UK Power Networks	Non-confidential	Yes	Noted.
Western Power Distribution	Non-confidential	Yes. We support the intent to ensure that, in the absence of a bi-lateral connection agreement there are always connection terms in place between the DNO and the Distribution Exemption Holder (DEH).	Noted.

Company	Confidential/ Anonymous	3. Do you have any comments on the proposed legal text?	Working Group Comments
Anonymous	Anonymous	No	Noted.
Electricity North West	Non-confidential	The draft legal text ensures that all connections to an LDNO network are covered by the National	Noted.

		Terms of Connection where a bi-lateral connection agreement is not in place.	
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	<p>Under this DCP section 3 is intended to apply where the connection could not reasonably be CT metered (where the connection is to a Distribution Exemption Holder ('DEH')). Under these circumstances our understanding is that section 3 will apply to the DEH's network and not to any installation connected to the DEH network. So any obligation on the DNO to legally de-energise or disconnect relates to the DNO/DEH boundary and the DNO is not required to de-energise or disconnect customers connected to the DEH's network.</p> <p>Secondly a number of the definitions may need some consideration.</p> <p>"Customer" means "the person, other than the Company, to whom this Agreement applies". Should this be clarified to include the DEH?</p> <p>"Customer's Installation" means "any structures, equipment, lines, appliances or devices (not being the Company's Equipment) used, or to be used, at the Premises (whether or not owned or used by the Customer)". Does this definition need to explicitly exclude connections to the DEH's network.</p> <p>"Connection Point" means "the point or points of connection at which electricity may (upon Energisation) flow between the Distribution System and the Customer's Installation". Does this need clarifying that it is the DNO/DEH boundary?</p>	<p>The Working Group agreed to check with a legal advisor that the NTC refers to the non-metered boundary and not directly to customers connected to the private network beyond.</p> <p>The Working Group noted that the DEH is responsible for customers connected to its network in so far as they impact on the use of the boundary connection point.</p>

		<p>Both “De-energisation and “Energisation” reference the above two terms so clarification may be required.</p> <p>In section 1, paragraph D section 2 will apply where the license exempt distribution system that is reasonably capable of being metered by whole current metering and section 3 will apply where the license exempt distribution system is not reasonably capable of being metered by whole current metering. Consider a block of flats where the DNO cable terminates into a multi-way service unit (DNO/DEH boundary) on the ground floor and private DEH service cables go to each flat. The DNO/DEH boundary is not reasonable capable of being whole current metered but the building only contains domestic premises – is section 3 still the correct part of the NTC to apply?</p>	<p>The Working Group agreed that the boundary point of connection is where it is assessed.</p>
Reckon LLP	Non-confidential	<p>The text is incoherent as to what sections 2 and 3 are being extended to:</p> <ul style="list-style-type: none"> • In paragraph (D), the proposed use of the phrase “license exempt distribution system” (uncapitalised and not defined anywhere) implies that the rules only apply where the general distribution exemption conditions 	<p>The Working Group agreed to reference Section 64 of the Electricity Act’s definition of DEH and the Authority decision on DCP 124 and ask the DCUSA legal advisor to consider what to do with company acting like a DEH which does not meet the exemption criteria.</p>

		<p>are met or there is a site-specific exemption from distribution licensing.</p> <ul style="list-style-type: none"> • The phrase "Licence Exempt System" is defined in section 3 but, as far as I can tell, never used. • The definition of "Licence Exempt System" does violence to the language since it appears to include systems that are unlicensed but do not have an exemption or meet the general exemption conditions; it appears to include distribution systems located outside the jurisdiction; it might include embedded transmission systems. • The proposed header of section 2 seems to cover any low-amperage unmetered connections, such as street lights — there is no express limitation to unmetered distribution systems there. Since there is a limitation to (undefined) licence exempt distribution systems in paragraph (D), the header seems misleading. Headings that mislead readers might not be enforceable in court, but they represent bad practice in the context of using statutory powers to impose 88 pages of legalese on the general public. <p>I am baffled by the definition of "Third Party Customers". Are private networks treated as "Premises" on their own? Or is the entire site served by a private network treated as a single "Premise", even if every sane person (such as Royal Mail) would see it as a collection of separate premises?</p>	<p>Agreed.</p> <p>The Working Group agreed to seek guidance on reference the distribution or transmission licence pursuant to the Electricity Act.</p> <p>The Working Group agreed to clarify it so that unmetered supplies covered by Section 4 are excluded. Members noted that there is a statutory instrument BSCP and BSC Charge Code for unmetered supplies which clearly delineates the difference.</p> <p>The Working Group considered that the definition was to set out that Distributors did not have control over the private network other than their interactions at the boundary. The Working Group agreed to confirm with the DCUSA legal advisor.</p>
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Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	<p>Section 1</p> <p>This part of the NTC is generally written in 'plain English' but the term 'licence exempt distribution system', used on three instances, seems legalistic by comparison. We suggest that the term needs to be explained, as clearly as possible, as it is not likely to be readily understood by the typical reader.</p> <p>Section 3</p> <p>Definition of 'Connect' – we suggest that reference to the Customer is deleted and the definition is changed to read '...(subject to Energisation) electricity may be imported to and/or exported from...'</p> <p>Definition of 'Metering' – we suggest that the text is changed to read '...relating to or associated with the Connection Point...'</p> <p>Definition of 'Metering System' – we suggest that the text is changed to read '...metering system or systems relating to or associated with the Connection Point...'</p> <p>Clause 4.3 – to permit energisation, this currently requires the Customer to contract with the Registrant but, in many (most?) cases, it is one or more Third Party Customers rather than the DEH who requires an electricity supply or export buyer at the Premises. Should this Clause be amended to include Third Party Customers?</p> <p>Clauses 5.2 and 5.8 – we see practical difficulties with this Clause in a DEH context, as there are likely to be multiple Third Party Customers on most DEH</p>	<p>Noted.</p> <p>Agreed. The Working Group agreed to ensure that they did not dis-apply the NTC to standard customers.</p> <p>Agreed.</p> <p>One member clarified that this suggestion was for consistency purposes.</p> <p>The DEH needs to obtain proof that their Customers are registered under the BSC. Where there is no metering at the boundary the DEH needs to ensure that all points of connection to it's network are settlement metered or else unmetered supplies (UMS) in settlements.</p>
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		<p>networks, possibly with different Registrants, which could make De-energisation and Re-energisation of a shared Connection Point at the instruction of one Registrant problematic. For discussion?</p> <p>Clause 5.5 – more of a practical consideration, but if distributors are required to give the DEH notice of De-energisation by law, how do they comply if they don't know the identity of the DEH?</p> <p>Clause 5.11 – as the Customer may not be the actual user of the Connection Point, we suggest that this Clause is amended to read '...nevertheless electricity is imported from, and/or exported to, the Distribution System...'</p> <p>Clause 7.5 - on the same principle as 5.11, we suggest that this Clause is amended to read 'If electricity is imported from, and/or exported to, the Distribution System...'</p> <p>Clause 9.1 – should the DEH have an obligation to ensure that Third Party Customers do not interfere with or damage the distributor's Plant and Apparatus?</p>	<p>The Working Group noted that the Distributor would only de-energising the boundary and it would be at the request of the DEH.</p> <p>The Working Group agreed to confer with the DCUSA legal advisor on this point. The legal text should not create obligations on Distributors that should not be applicable.</p> <p>The Working Group agreed to remove the reference to 'Customer' in the drafting in 5.11 and 7.5.</p> <p>Agreed. The Working Group agreed to ask the lawyers to ensure that any obligations on the DEH also fall on the management of their customers.</p>
SP Distribution / SP Manweb	Non-confidential	None	Noted.
The Electricity Network Company	Non-Confidential	There are two issues which we believe should be addressed by the working group in relation to the legal text.	

		<p>Should the definitions of Licence Exempt System refer to the Act and/or the relevant class exemption regulations? We believe that there may be instances which the definition, as it is currently drafted, does not cover the licence exempt network. The definition explicitly refers to a system that is used to distribute electricity to third parties. There may be potential instances where the owner of the licence exempt system also "owns" the metering (or at least some of) connected to the system. In these instances we are not convinced that the definition, as currently drafted, would certainly apply. For these reasons we believe that a more robust definition relating to the legislation would be beneficial. A suggested definition, or the beginnings thereof, would be –</p> <p>"...is a distribution system operated under an exemption order (including class exemptions) granted by the Secretary of State under Section 5 of the Act."</p> <p>We understand that this may not cover systems which operate with neither a licence nor through an exemption order but we believe that such systems are in contravention of the Electricity Act and cannot be considered by this change proposal.</p> <p>Is the working group confident that there is sufficient clarity within the NTCs as to what could reasonably be metered with whole current metering? We are concerned that not all operators of licence exempt systems are likely to be able to determine which DEH networks could reasonably be Whole Current metered and they, therefore, may</p>	<p>The Working Group agreed that they would define Licence Exempt System more clearly with reference to the Electricity Act.</p> <p>The Working Group agreed the scope should include those that operate without a licence or an exemption order as those that have been accepted through custom and practice and it is not for the DNO to police customer load growth etc.</p> <p>The intent is that the DEH is treated as a Customer of similar load. The Working Group felt that this was a reasonable way of achieving it.</p>
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		not easily be able to distinguish which section of the NTCs are likely to be applicable to them.	
UK Power Networks	Non-confidential	The version number and issue date for the NTC will need to be updated.	Noted.
Western Power Distribution	Non-confidential	We believe the proposed legal text accurately conveys the intent of the proposal insofar that in the absence of a bi-lateral connection agreement the National Terms of Connection will apply and that the terms that apply will be proportionate to the type of connection held by the DEH.	Noted.

Company	Confidential/ Anonymous	4. Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments. <ol style="list-style-type: none"> 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 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. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences. 4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it. 5. compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators. 	Working Group Comments
Anonymous	Anonymous	No comment.	Noted.
Electricity North West	Non- confidential	General Objective 1 is better facilitated by this change as it will ensure the efficient management	Noted.

		of all private networks, not just those where a bi-lateral connection agreement is in place.	
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	DCUSA General Objective 1 is better facilitated as it is estimated that private networks are in the order of one hundred thousand or more and it is not administratively practical to conduct efficient management of LDNO to DEH arrangements without these changes. It would not be possible to deliver a robust transparent and codified approach to co-ordinating the management of the sum of those distribution networks in an economical way.	Noted.
Reckon LLP	Non-confidential	The consultation document provides no source for the claim that this change would affect "one hundred thousand or more" networks. The consultation document does not identify any actual management tasks that cannot currently be performed efficiently.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	General Objective 1 is better facilitated as the CP would significantly improve the efficiency of administration and application of contractual terms associated with a class of connection which has previously been largely overlooked.	Noted.
SP Distribution	Non-confidential	DCUSA Objective 1	Noted.

/ SP Manweb			
The Electricity Network Company	Non- Confidential	<p>We believe that DCUSA General Objective 1 would be better facilitated by this change as it would enable distributors to maintain their distribution systems with a greater degree of confidence regarding the DEH networks that are connected to their own distribution systems.</p> <p>We would like to note that the DCUSA objectives are only applicable to DCUSA parties and we are therefore unable to make an assessment of these objectives in relation to their impact on licence exempt network operators.</p>	Noted.
UK Power Networks	Non- confidential	<p>Objective 1.</p> <p>Enables a default position to be established and a practical solution to be enacted for the vast number of DEH boundaries that are not metered.</p>	Noted.
Western Power Distribution	Non- confidential	<p>We believe the Change Proposal better facilitates DCUSA General Objective 1, "The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks", as it will provide an effective and economical process for administering contractual terms for the significant volume of DNO to DEH connections.</p>	Noted.

Company	Confidential/ Anonymous	5. It is proposed that DCP 263 be implemented in the first practicable DCUSA release following approval, which is likely to be 3 November 2016. Do you have a preference on the date that DCP 263 is implemented into the DCUSA?	Working Group Comments
Anonymous	Anonymous	No	Noted.
Electricity North West	Non-confidential	It would seem reasonable to link this to the next DCUSA release following approval.	Noted.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	No preference	Noted.
Reckon LLP	Non-confidential	n/a	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We would wish the implementation to be on the earliest practicable date following approval.	Noted.
SP Distribution	Non-confidential	We are comfortable with the proposed implementation date.	Noted.

/ SP Manweb			
The Electricity Network Company	Non-Confidential	No. Assuming any concerns are thoroughly addressed by the working group we do not have a preference on when this change is implemented.	Noted.
UK Power Networks	Non-confidential	As soon as possible	Noted.
Western Power Distribution	Non-confidential	We believe the November 2016 release date is appropriate.	Noted.

Company	Confidential/ Anonymous	6. Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
Anonymous	Anonymous	No	Noted.
Electricity North West	Non-confidential	We are not currently aware of any developments that may cause an impact in respect of this change.	Noted.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	No	Noted.
Reckon LLP	Non-confidential	n/a	

Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	No.	Noted.
SP Distribution / SP Manweb	Non-confidential	None	Noted.
The Electricity Network Company	Non-Confidential	No	Noted.
UK Power Networks	Non-confidential	No	Noted.
Western Power Distribution	Non-confidential	No.	Noted.

Company	Confidential/ Anonymous	7. Are there any alternative solutions or unintended consequences that should be considered by the Working Group?	Working Group Comments
Anonymous	Anonymous	No	Noted.

Electricity North West	Non-confidential	We are not aware of any alternative solutions.	Noted.
Northern Powergrid (Northeast and Yorkshire)	Non-confidential	No	Noted.
Reckon LLP	Non-confidential	If it turns out that the unsupported claim about 100,000 or more networks on which DNOs cannot currently perform management tasks efficiently is bunkum, then site-specific connection agreements might provide an alternative solution which could be better focused on enabling DNOs to perform specific management tasks that they cannot currently perform efficiently.	The Working Group agreed that this change was looking to set out a standard set of terms which DNOs can apply efficiently and consistently across all connectees.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Not that we are aware of.	Noted.
SP Distribution / SP Manweb	Non-confidential	None	Noted.

The Electricity Network Company	Non-Confidential	<p>We would ask the working group to consider whether s21 of the Electricity Act can be considered to impose the National Terms of Connection on licence exempt distribution system operators and whether all potential classes of licence exempt distribution systems are covered by s21.</p> <p>This section of the act is not explicit. It states that distributors may require any person who requires a connection to accept terms. It does not obligate a distributor to impose the National Terms of Connection or any other connection agreement and we would, therefore, require further clarity to the working group's thinking on the statement that the NTC's are automatically imposed by s21.</p> <p>Even if such clarity is provided we remain to be convinced that all licence exempt networks are covered by this. s21 makes explicit reference to applying only to parties who make a connection application in accordance with s16. S16 requests to connect are applicable only if the requestor is the owner/occupier of the premises, a supplier authorised on their behalf or another authorised distributor. Given that a number of licence exempt systems will be operated by parties or who do not own the premises then we question whether s21 can be extended to cover them. Again, we would welcome some clarity from the working group in this respect.</p> <p>If s21 can be construed as applying to licence exempt networks then we would seek clarification and confirmation that the changes which are made to the NTCs will be able to retrospectively cover</p>	<p>The Working Group agreed to submit this question to the DCUSA legal advisor for consideration.</p> <p>The intent is that this change would apply to existing DEHs.</p>
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		<p>connections made prior to this change proposal. It seems a undue burden on licence exempt systems which are already connected to be subject to the terms of a connection agreement to which they have not agreed and was not in existence at the time of their connection being made. Given that licence exempt systems are not a party to the DCUSA they would be ineligible to vote on these changes which would directly affect them and we do not believe that the changes can be implied into their connection agreement through s21 of the Act.</p> <p>Although, as we have stated, we are supportive of the principles of this change proposal as it will ensure the efficient management of licenced distribution systems we believe that it is important for the working group to address the above issues in any future consultations as we are not convinced that the change proposal is able to fully achieve the intended solution.</p>	
UK Power Networks	Non-confidential	No	Noted.
Western Power Distribution	Non-confidential	No.	Noted.