

DCUSA DCP 263 CHANGE DECLARATION

VOTING END DATE: 9 DECEMBER 2016

DCP 263- NTC DEH GAP	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
CHANGE SOLUTION	Accept	Reject	n/a	n/a	n/a
IMPLEMENTATION DATE	Accept	Reject	n/a	n/a	n/a
RECOMMENDATION	<p>Part 1 Matters</p> <p>Change Solution – Reject.</p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the change solution was less than or equal to 50%.</p> <p>Implementation Date – Reject.</p> <p>For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was less than or equal to 50%.</p>				
PART ONE / PART TWO	Part One – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				

Electricity North West	Accept	Accept	This change will better facilitate General Objective 1 as it will ensure non-metered Distribution Exemption Holders networks come under the governance of the DCUSA, also resulting in General Objective 2 being better facilitated.	n/a
Northern Powergrid (Northeast) Ltd	Accept	Accept	DCUSA General Objective 1 is better facilitated as there are a number of private networks, such as blocks of flats, BNO's, caravan sites etc, 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.	None
Northern Powergrid (Yorkshire) plc	Accept	Accept		
SP Distribution plc	Accept	Accept	We agree with the working group's assessment that General Objective 1 is better facilitated by this change.	None.
SP Manweb plc	Accept	Accept		
Southern Electric Power Distribution plc	Accept	Accept	We believe that General Objective 1 is better facilitated as the CP provides a means of efficiently formalising connection terms for a type of connection which is in widespread existence but would otherwise remain inadequately addressed.	We see this CP as a very important step in ensuring that industry arrangements acknowledge and appropriately manage all types of connection in common use. In recent years, DEH arrangements with unmetered boundaries have been better acknowledged and covered within the
Scottish Hydro Electric Power Distribution plc	Accept	Accept		

				Balancing & Settlements area and in the DNO LC14 charging statements, so it is essential that the NTC are developed to resolve the current lack of standard default terms for these connections.
Eastern Power Networks plc	Accept	Accept	Objective 1. The NTC should be the mechanism for ensuring that default connection terms are in place, in the absence of any bi-lateral arrangement, for all connections to the Licensed Distributors' systems.	n/a
London Power Networks plc	Accept	Accept		
South eastern Power Networks plc	Accept	Accept		
Western Power Distribution (South West) plc	Accept	Accept	We believe that DCUSA General Objective 1; The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System, is better facilitated. The implementation of DCP263 will serve to mitigate the potential burden that would be placed upon LDNOs in having to manage the administration of securing individual bilateral agreements with each DEH. It will ensure the delivery of a consistent and codified approach and help to manage these types of connections in an economical way.	n/a
Western Power Distribution (South Wales) plc	Accept	Accept		
Western Power Distribution (East Midlands) plc	Accept	Accept		
Western Power Distribution (West Midlands) plc	Accept	Accept		
IDNO PARTIES				

<p>The Electricity Network Company</p>	<p>Reject</p>	<p>Reject</p>	<p>We do not see that this change better facilitates any of the DCUSA general objectives.</p> <p>The working have failed to address concerns that we have raised regarding the application of the NTCs to Distribution Exemption Holders. If it cannot be shown that the NTCs apply to connections in the absence of a supplier contract or direct agreement then this change proposal has no impact on DCUSA. Indeed, it may lead to ambiguity in distribution businesses managing connections and their distribution system and have a negative impact on General Objective 1.</p> <p>We asked the working group to clarify the assertion that the National Terms of Connection can apply to all connections to a licensee’s distribution system where they have not been put in place by virtue of a supplier contract. Our full comments are made in the consultation response but in brief we did not believe that s21 was able to apply the NTCs to DEH as the wording states that Distributor may require a person to accept terms. It does not confer an ability to distributors to impose a contract without acceptance.</p>	<p>If the above concerns were addressed, possibly by Ofgem, then we would be supportive of this change.</p>
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			<p>Although this question was sent to legal director the response that was received did not allay our concerns as the legal advisor was unable to provide the certainty that the NTCs would apply to connections where there was the absence of a supply contract in place. Unfortunately the comments made by the legal advisor have not been included in the change report or associated documentation. They can be found in the third working group meeting documents but to paraphrase the legal advisor states that "Basically, section 21 is not very clear. It is only in relatively recent times that distributors have sought to interpret section 21 as allowing them to impose terms directly under 21 (rather than via contracts). Where possible DNOs should agree contracts (direct or via supplier contracts). However, the NTC state that they section 21."</p> <p>Our concern that if the Act is unclear then the NTCs cannot clarify this as the NTCs, under DCUSA, are subordinate to the Act.</p> <p>Without a clear and definitive indication that the NTCs can apply under the Act</p>	
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			we believe that this change only reduces clarity in respect of a distributor’s connection agreements. The only way for the distributor to maintain and operate an efficient, co-ordinated and economical distribution system is to ensure that they are fully aware of the connection terms that apply for each connection. Introducing this change without absolute clarity that it will solve the issue it seeks to address will leave some distributors’ connections to DEH networks without any formal connection agreement in place and without the distributor seeking such an agreement in the believe that they are covered by the NTCs.	
SUPPLIER PARTIES				
n/a				
DISTRIBUTED GENERATOR PARTIES				
n/a				
GAS SUPPLIER PARTIES				
n/a				