**DCP204 – Legal Text**

**Amend Clause 1 to include the following new definition**

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| **Smart Metering System**  | has the meaning given to that expression in the Supply Licences.  |

**Amend Schedule 8 as follows:**

**SCHEDULE 8 – DEMAND CONTROL**

**1. INTRODUCTION**

1.1 The capacity and other technical parameters of the constituent elements which make up the Distribution System can create operational constraints on Demand and the coincidence of Demand.

**2. DEFINITIONS**

2.1 In this Schedule 8, except where the context otherwise requires, the following expressions shall have the meanings set opposite them:

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| **Auxiliary Load Control Switch** | means a switch which is an integral part of a Smart Metering System and which can switch electrical loads in the premises of a Customer. |
| **Capacity Headroom** | means the minimum margin below the maximum capacity of the Distribution System which the Company reasonably believes is necessary and justifiable to maintain Security of Supply and other technical parameters.  |
| **Compliance Notice**  | means a notice issued to a Supplier pursuant to Paragraph 8.1.  |
| **Demand**  | has the meaning given to that term in the Distribution Code.  |
| **Effective Date**  | means the date on which a notice issued pursuant to this Schedule 8 is deemed to be received in accordance with Clause 59 and/or Paragraph 11.3 (as appropriate).  |
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| **Load Managed Area**  | means an area designated pursuant to Paragraph 5.1.  |
| **Load Managed Area Notice**  | means a notice issued pursuant to Paragraph 5.1.  |
| **Load Switching Device** | means equipment relating to a Metering Point which has the functional capability to switch electrical load at that Metering Point, including radio teleswitches and/or Smart Metering Systems. |
| **Load Switching Regime** | means the allocation by a User of SSC and/or time switching patterns and other material load switching characteristics of a Load Switching Device as part of a programme intended to influence consumption behaviour. For the avoidance of doubt, such characteristics shall include (but shall not be limited to) features which assist in the minimisation of coincident load switching, such as Randomised Offset and/or staggered switching, and load limiting features which allow remote interruption or reduction of Demand where such functionality is available.  |
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| **Randomised Offset** | means, in relation to a Smart Metering System, the product of the Randomised Offset Limit and the Randomised Offset Number rounded to the nearest second. This value is used to delay the tariff switching table times and the Auxiliary Load Control Switch switching times. |
| **Randomised Offset Limit** | means, in relation to a Smart Metering System, a value in seconds in the range of 0 to 1799. |
| **Randomised Offset Number** | means, in relation to a Smart Metering System, a randomly generated value between 0 and 1. |
| **Security of Supply**  | means the ability of the Company to provide supplies to Customers that comply with the Regulations and with Engineering Recommendation P2/6 (or such other planning standard as may be in force for the Company under Condition 24 of the Distribution Licence) as amended or re-enacted from time to time.  |
| **Security Restriction Notice or SRN** | means a notice issued pursuant to Paragraph 7.1. |
| **SSC**  | means Standard Settlement Configuration.  |
| **Supplier**  | means a person authorised to supply electricity pursuant to Section 6(1)(d) of the Act.  |
| **Total System**  | has the meaning given to that term in the Distribution Code.  |

**3. GENERAL OBLIGATIONS**

3.1 The User shall use reasonable endeavours to ensure that it:

1. does not make any changes to Load Switching Regimes in force at particular Metering Points which have or may have a materially adverse effect on the discharge of the Company’s statutory and/or regulatory obligations to develop and maintain an efficient, secure, safe, co-ordinated and economical system for the distribution of electricity by increasing the coincidence of Demand on the Distribution System in a way which is likely to infringe the Capacity Headroom so that it is insufficient to allow for normal variations in Demand;
2. shall only install Load Switching Devices which comply with all relevant technical standards in force at the date of installation and are technically suitable and properly configured for operation in conjunction with the Company’s Distribution System;
3. shall only install Load Switching Devices which operate with staggered switching arrangements such that coincident switching with other similar equipment under the control of the User is limited to the extent reasonably possible; and
4. shall comply with any restrictions on Load Switching Regimes reasonably required by the Company and notified to the User in accordance with the terms of this Schedule 8.

3.2 The Company shall use reasonable endeavours (i) to issue notices in the following order: advisory notice (as referred to in Paragraph 4), Load Managed Area Notice, SRN Stage 1, SRN Stage 2, and SRN Stage 3, and (ii) normally not to issue a notice for a relevant geographic area within 60 Working Days of the Effective Date of the last notice for that area.

3.3 The User may at any time seek advice concerning operational constraints on the Distribution System from the Company on such reasonable terms as the parties may agree in writing.

**3A OBLIGATIONS SPECIFIC TO SMART METERING SYSTEMS**

3A.1 The User shall use reasonable endeavours to ensure that, where appropriate functionality is available, Smart Metering Systems installed by it (or any agent acting on its behalf) are configured:

1. to provide Randomised Offset; and
2. such that the Randomised Offset Limit is set at a value of no less than 600 and no greater than 1799.

**4. ADVISORY NOTICES**

4.1 The Company may at any time issue an advisory notice to the User and other Suppliers concerning potential operational constraints on the Company’s Distribution System, with the intent of avoiding the requirement to designate areas of the Distribution System as Load Managed Areas. The advisory notice will contain

**5. LOAD MANAGED AREA NOTICES**

5.1 The Company may from time to time designate areas of the Distribution System as Load Managed Areas where the Company has identified a need to reinforce or extend the capacity of such areas and, prior to issuing a Load Managed Area Notice, has either:

(a) avoided or deferred the need for such reinforcement or extension through limiting the coincidence of Demand by adopting Customer Demand management to control the Load Switching Regimes; or

(b) reasonably believes that such reinforcement or extension would be avoided or deferred through limiting the coincidence of Demand by Suppliers adopting Customer Demand management to control Load Switching Regimes.

5.2 A Load Managed Area Notice shall be sent to all Users and the Authority.

5.3 A Load Managed Area Notice shall be effective when received or deemed to be received in accordance with Clause 59, and shall indicate:

 (a) the geographical area to which it applies by providing the postcode (or such other method as the Company and the User agree, acting reasonably);

(b) the time or times of day during which Capacity Headroom is infringed;

(c) the time or times of day during which there is sufficient capacity;

 (d) the date from which the notice is effective; and

(e) that it shall continue in force until withdrawn in writing by the Company by serving a notice on all Users and the Authority.

5.4 The issue of a Load Managed Area Notice constitutes notice that:

(a) significant modifications of Customer Demand in the area identified in such notice may threaten Security of Supply;

(b) Security Restriction Notices may be issued in respect of that area;

 **6. NOT USED**

**7. SECURITY RESTRICTION NOTICES (SRN)**

7.1 The Company may from time to time issue a Security Restriction Notice Stage 1, 2 or 3 within a Load Managed Area where in the Company’s opinion:

(a) changes to existing Load Switching Regimes in force at particular Metering Points; and/or

(b) new applications of Load Switching Regimes applied to particular Metering Points,

have increased the coincidence of Demand in the whole or part of the area identified and as a result there is a risk to Security of Supply. For the avoidance of doubt, only one Stage of SRN shall be issued within a Load Managed Area at any one time.

7.2 Security Restriction Notices shall be sent to all Users and the Authority.

7.3 Security Restriction Notices shall be effective when received or deemed received in accordance with Clause 59 and shall indicate:

(a) the Load Managed Area to which it applies;

(b) the Metering Points to which it applies, by providing the MPAN (or such other method as the Company and the Users agree, acting reasonably);

 (d) the date from which the notice is effective; and

(e) that it shall continue in force until withdrawn in writing by the Company by serving a notice on all Users and the Authority.

7.4 The Company may issue an SRN Stage 1 where in the Company’s opinion there is a risk to Security of Supply. The issue of an SRN Stage 1 requires the User to:

(a) use reasonable endeavours to ensure that the Load Switching Regime, and any other material characteristics of the existing Load Switching Device, is replicated on the new Load Switching Device where the User is replacing a Load Switching Device at any Metering Point identified in the notice; and

(b) consult with the Company and agree to alternative arrangements for those Metering Points where the User is unable to comply with Paragraph 7.4 (a).

7.5 The Company may issue an SRN Stage 2 where in the Company’s opinion there is a material risk to Security of Supply. The issue of an SRN Stage 2 requires the User to:

(a) carry out the actions described in Paragraphs 7.4(a) and 7.4(b), and

(b) change at its own cost and within such period of time as the Company considers reasonable the Randomised Offset Limit in force at particular Metering Points in the area designated in the Security Restriction Notice to such other Randomised Offset Limit as shall not have a materially adverse effect on Security of Supply;

7.6 The Company may issue an SRN Stage 3 where in the Company’s opinion there is an immediate risk to Security of Supply. The issue of an SRN Stage 3 requires the User to:

(a) carry out the actions described in Paragraphs 7.4(a) and 7.4(b), and

(b) change at its own cost and within such period of time as the Company considers reasonable the Load Switching Regime in force at particular Metering Points in the area designated in the Security Restriction Notice to such other Load Switching Regime as shall not have a materially adverse effect on Security of Supply; or

(c) take such other action as the Company considers reasonable.

**8. COMPLIANCE NOTICES**

8.1 Where the Company, having issued an SRN Stage 3, reasonably believes that a User has failed to comply with the requirements of that Notice, the Company may issue a Compliance Notice to that User, and a copy to the Authority.

8.2 Compliance Notices shall be effective when received or deemed received in accordance with Clause 59 and shall indicate:

(a) the SRN Stage 3 to which it applies;

(b) the date from which the notice is effective; and

(c) that it shall continue in force until withdrawn in writing by the Company by serving a notice on the User and the Authority.

8.3 The issue of a Compliance Notice requires the User to comply with the requirements of the SRN Stage 3 within such period of time as the Company considers reasonable.

8.4 Failure to comply with a Compliance Notice shall constitute a breach of this Agreement and the Company may:

(a) invoke the Appeals Procedure in Paragraph 10.1, and/or

(b) carry out procedures in accordance with Distribution Code DOC6 to either avoid or relieve operating problems on the Company’s Distribution System in a manner that does not discriminate against or unduly prefer any one or any group of Usersor their Customers, and/or

(c) with no prior notice to the User where the User is in such breach, De-energise any Metering Point affected by the SRN Stage 3 for which the User is Registered in MPAS as the Supplier.

**9. CONFIDENTIALITY**

9.1 Any notice issued by either of the Company or the User pursuant to this Schedule 8 shall be confidential if marked as such. Any other information may be made available to third parties.

**10. APPEALS PROCEDURE**

10.1 The Company and the User shall attempt to resolve in good faith any dispute in relation to this Schedule 8. Where the dispute remains unresolved after 10 Working Days, either of them may refer the dispute to the Authority for determination. Any determination by the Authority under this Paragraph 10 shall be final and binding.

**12. REVIEW PROCEDURE**

12.1 The Company shall:

(a) no later than the latter of twelve months after its Effective Date or twelve months after its last review, review every Advisory Notice and every Load Managed Area Notice;

(b) no later than the latter of six months after its Effective Date or six months after its last review, review every SRN

(c) no later than the latter of three months after its Effective Date or three months after its last review, review every Compliance Notice,

 issued by it pursuant to this Schedule 8 which is still in force.

12.2 Where the Company reasonably believes that the relevant notice should continue in force, it shall notify all Users and the Authority accordingly (together with its reasons), and reissue MPAN information as detailed in Paragraph 7.3(b) (where applicable).

12.3 Notwithstanding Paragraph 12.1, where the Company reasonably believes that the relevant notice should not continue in force, it shall withdraw the relevant notice and notify all Users and the Authority.

**13. ROTA LOAD BLOCK ALPHA IDENTIFIERS**

13.1 By 30 June each year, the Company shall provide to the Nominated Central Source the Alpha Identifier for each Postcode within which Customers have connections to the Company’s Distribution System.

13.2 The Company shall ensure that the Nominated Central Source collates the information referred to in Paragraph 13.1 with the comparable information of other DNO/IDNO Parties and provides the collated information to the User (where it is a Supplier Party) by 31 July of the relevant year. The collated information shall be provided free of charge, and shall be provided in an Electronic Format showing each relevant Postcode in one column with the applicable Alpha Identifier and MPAS ID in separate columns.

13.3 During the 12-month period commencing on 1 October of each year, the User shall (where it is a Supplier Party) take reasonable steps to notify each Alpha Identifier provided to it in accordance with Paragraph 13.1 to the User’s Customers that have Customer Installations located within the relevant Postcode area. The User shall only be obliged to take such steps to the extent it is reasonably practicable to do so, and shall be taken to have complied with its obligation in respect of a particular Customer Installation where the Bills (or statements of account) sent to the Customer in respect of that Customer Installation, during such 12-month period, display (where reasonably practicable, in a square box on the front page, and in the uppermost third, of such Bills) the Alpha Identifier provided to the User during the July preceding that October.

13.4 In this Paragraph 13:

(a) “**Alpha Identifier**” means the single letter assigned to each Postcode area covered by the Company’s Distribution System for the purpose of identifying (insofar as reasonably practicable) the Load Block with which Customers in that Postcode area are associated;

(b) “**Bill**” has the meaning given to that term in Condition 1 of the Supply Licences;

(c) “**Electricity Supply Emergency Code**” means the code of that name designated as such by the Secretary of State from time to time;

(d) “**Electronic Format**” means a DVD containing the relevant information in “.csv” format;

(e) “**Load Block**” means a geographic grouping of consumer load for the purpose of applying rota disconnections, as such rota disconnections are more fully described in the Electricity Supply Emergency Code;

(f) “**MPAS ID**” means the unique two-digit number by which MPAS Providers are identified;

(g) “**Nominated Central Source**” means a person agreed between the majority of DNO/IDNO Parties for the purpose of this Paragraph 13; and

(h) “**Postcode**” means the full Post Office postcode (outcode and incode) of up to 8 characters, which will be presented with a space between the outcode and the incode (and no other spaces).

**Wragge Lawrence Graham & Co LLP**

**7 April 2015**