

# DCP 181 Working Group Minutes

<b>Meeting Name</b>	DCP 181 Working Group
<b>Meeting Number</b>	03
<b>Date</b>	07 January 2015
<b>Time</b>	10:00
<b>Venue</b>	Meeting Room 1, ElectraLink Ltd, Ground Floor, Grafton House, 2-3 Golden Square, London, W1F 9HR.

Attendee	Company
Peter Waymont [PW] (Chair)	UK Power Networks
Andrew Sherry [AS] (teleconference)	ENWL
Deirdre Bell [DB]	Ofgem
Gus Wood [GW] (teleconference)	Wragge & Co.
Peter Turner [PT] (teleconference)	Northern Powergrid
Claire Hynes [CH] (Secretariat)	ElectraLink

Apologies	Company
Lorna Mallon	Scottish Power

## 1 ADMINISTRATION

- 1.1 The minutes of the last meeting were agreed without amendment.
- 1.2 The Working Group reviewed the actions from the previous meeting. A summary of new and outstanding actions is attached as Appendix A.
- 1.3 The Working Group agreed to abide by the Competition Laws Do's and Don'ts for the duration of the meeting.

## 2 SUMMARY ON THE DCP 181 CHANGE

- 2.1 The Chair and proposer of DCP 181 advised that this change was originally raised so that a DNO offering connections with particular terms and conditions associated for a premises, can have those terms apply to the incoming customer.

## 3 REVIEW OF OFGEM'S COMMENTS ON THE DCP 181 CHANGE

- 3.1 The Working Group queried whether the obligation to maintain the connection could also be interpreted as an obligation to maintain the capacity of the connection.
- 3.2 DB advised that Ofgem's interpretation is that the DNO has the obligation to maintain the physical connection but not to maintain the capacity of the connection. There is a difference between the physical connection and the contractual connection.
- 3.3 Members noted that the capacity available via a contract may look quite different to the physical assets at the property for customers who have custom use, reactive power, Demand Side Response or where generators are requested to curtail their output at certain times.
- 3.4 One member noted that if the interpretation of the Electricity Act is for the DNO to maintain the physical connection only then the new occupier of a premises is not entitled to the

- capacity that the previous occupier had connected unless they enter in to a contract with the DNO for it.
- 3.5 GW agreed that maintaining the connection under Section 16 referred to the physical connection. Members noted that the transformers are standard sizes so the assets installed would not be to the exact specification for the customer. One member advised that the size of the asset is incidental to size of the capacity required in the contract. The act clearly states that DNOs are allowed to impose terms and conditions.
  - 3.6 GW noted that the discussion needed to cover what is integral to the connection rather than the ancillary terms. The capacity is integral to the terms of connection.
  - 3.7 Members discussed the maintaining of the connection in terms of how it was constructed and any agreed subsequent variations to it such as where a premises can use 3MVA during the week but only allowed to use 1MVA on the weekend as otherwise the load would be to great for the network.
  - 3.8 Members considered that the National Terms of Connection could refer to a bespoke set of terms or boiler plate clauses which set limitations and liabilities in specific circumstances identified.
  - 3.9 GW advised that the Electricity Act could be interpreted as allowing for the DNO to apply a statutory imposition of terms but up until approximately 5 years ago it was interpreted as imposing connection terms by contract.
  - 3.10 The connection terms can be imposed by statute. The Distributor can state what terms apply. The NTC is drafted to provide for the imposition of the terms by Supplier contract and allow for the imposition of terms by the Distributor.
  - 3.11 Members considered the suggestion that the NTC could reference the existence of other terms which could be applied by statute on the incoming customer to a premises. GW advised that this approach breakdown in regards to certainty of contract. The NTC could refer to another document containing terms which allows the customer to know that they are entering in to those terms.
  - 3.12 Members noted that there is a distinction between a direct statutory contract and a statutory contract which is a deemed contract which allows for the contract.
  - 3.13 One member advised that *'information that has been obtained by this Act or other Acts should not be disclosed during the lifetime of the individual'*.
  - 3.14 Members considered the scenario where Sainsburys is purchasing a premises which Tesco's currently resides in. GW advised that where the occupier moves out of the premises the DNO can then disclose the connection terms to Sainsburys as they are pertaining to the connection to continue supply but not to a potential customer who is considering purchasing the premises in the future.
  - 3.15 The Ofgem attendee advised that Ofgem had concerns in regards to this change not just covering commercial premises whose purchasers may consider checking the connection details but would also cover domestic and potentially vulnerable customers who may not think to check the connection terms at the property.
  - 3.16 DB requested that the Working Group consider the scenario where the owner occupier of the premise is not honest with the incoming purchaser of the property in regards to the connection and any restrictions that may apply.
  - 3.17 Members considered that the DNO could take the position that if the new occupier did not agree to the bespoke terms that the premises would be disconnected for practical reasons

such as the connection impacting others users on the network. This was not the Working Groups preferred way forward.

- 3.18 GW advised that legal text could be inserted in to the NTC to state that it is okay to provide connection details to prospective purchasers. The NTC could contain a limited number of things such as the capacity that applies to the premises, a definition of operational constraints (operational constraints agreed with the Distributor) and a non-exclusive list of connection details.
- 3.19 DB requested that the Working Group consider the domestic consumer who has purchased an electric vehicle and who may not realise that they need to check the connection terms. One member noted that a domestic buyer would automatically have the expectation that the premise had a standard connection. DB advised that Ofgem understood the need for this change in order to operate a more efficient network but they are concerned about safeguarding the vulnerable customer. One member suggested that this change could deal with commercial premises only and not deal with domestic premises.
- 3.20 The Working Group agreed to draft legal text that would apply to Section 3 of the NTC on the following subjects:
- Capacity being maintained;
  - Statutes and contract matters;
  - Matters regardless of how it is applied; and
  - Accurate indication.
  - legal text to state that *“if there is an existing agreement that the existing agreement would apply instead of the NTC even if you are a Party to it”*.

**ACTION 03/01:PW**

- 3.21 The Working Group considered that changes will be required to paragraph 4.33 of the change report following the development of the solution being proposed by this CP.

**ACTION 03/02: ELECTRALINK**

- 3.22 Members considered that on the NTC website that the contact details of each Distributor are available to the customer for their area and could be referenced in the NTC. In order to provide the details to the prospective customer the DNO would then require a letter of Authority from the current owner to disclose the connection details.
- 3.23 Members agreed to amend paragraph 9.3 of the change report to state that Objective two better facilitates competition in supply by allowing:
- less strict terms to apply to generators who are willing to accept non-standard terms and
  - Better management of the network by constraining certain connections thus allowing more connections to the network.

**ACTION 03/03: ELECTRALINK**

- 3.24 The Working Group agreed to draft a second consultation on the revised solution that is based on the legal advice received from Wragge & Co. at this meeting.

**ACTION 03/04: ELECTRALINK**

- 3.25 The Working Group agreed to add to the change report that *“although existing terms can be imposed it does not prevent the incumbent customer from seeking to vary them”*.

**ACTION 03/04: ELECTRALINK**

- 3.26 DB suggested that the Working Group clearly set out the benefits of this change for the customer in the change report.

**ACTION 03/05: ALL****4 NEXT STEPS**

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Date	Activity
16 January	Draft a skeleton DCP 181 consultation two.
23 January	The proposer and chair complete the review of draft consultation two.
30 January	Issue the consultation to Working Group members for review for one week with a closing date of the 30 January.
02 February	Issue the consultation to the DCMF, NTC and DCUSA Contract Managers distribution lists on the 02 February for a period of three weeks.

**5 ANY OTHER BUSINESS**

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- 5.1 There were no items of any other business.

**6 NEXT MEETING**

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- 6.1 The next DCP 181 Working Group meeting will convene to consider the responses to consultation two.

## APPENDIX A: SUMMARY OF ACTIONS

### NEW AND OPEN ACTIONS

Action Ref.	Action	Owner	Update
02/04	Raise a change under the MRA to the D055 data flow which flags a change of tenancy to cause the D0302 data flow to subsequently issue notifying of a change in customer details.	Glenn Sheern	On-going. PW took an action to check with Glenn Sheern if this action was undertaken.
02/05	Raise a change to the D0302 flow to introduce a mandatory date requirement under the MRA.	Glenn Sheern	On-going. PW took an action to check with Glenn Sheern if this action was undertaken.
03/01	Update the draft DCP 181 legal text.	Peter Waymont	
03/02	Amend paragraph 4.33 of the change report	ElectraLink	
03/03	Amend paragraph 9.3 of the change report	ElectraLink	
03/04	Draft a skeleton consultation two.	ElectraLink	
03/05	Add the wording to the change report that "although existing terms can be imposed it does not prevent the incumbent customer from seeking to vary them".	ElectraLink	
03/06	Clearly set out the benefits of this change for the customer in the change report.	All	

### CLOSED ACTIONS

Action Ref.	Action	Owner	Update
02/01	Seek Wragge & Co.'s opinion on the obligation to maintain a connection under section 16 and how it relates to section 21 on special contracts.	Peter Waymont	Completed

02/02	Seek out the costs of the land registry to add to the Change Report.	Peter Waymont	Completed. Added to the Change Report.
02/03	Seek a legal view on notifying a change of tenant that connection terms are enduring or if it is necessary as it is not covered in the NTC.	Peter Waymont	Completed.
02/06	Seek legal advice on the obligations that need to be put in place to notify the customer that non-standard contracts endure.	Peter Waymont	Completed.
02/07	Draft the two solutions for incorporation in to the consultation once the meeting minutes have been issued.	Glenn Sheern & Peter Waymont	Closed. Glenn Sheern advised of his decision not to raise an alternate solution by e-mail.
02/08	Draft the consultation incorporating the solutions and the legal advice for Working Group review for one week and issue to parties.	ElectraLink	Closed.