

General Comments

Electricity Act

It is important to consider the extent that the Electricity Act 1989 and Schedules under the Electricity Act apply to licence exempt premises apply to customers on license exempt networks.

Some illustrative points are made below; however these are unlikely to be a complete analysis.

Deemed contracts	Deemed contracts only apply in respect of electricity conveyed to premises by an electricity distributor (i.e. a distributor authorised by licence). Therefore customers connected to private networks are not covered by these provisions.	The Working Group noted that this is the case and a Supplier Customer issue.
Supplies of electricity illegally taken	We think this only applies to customers connected directly to the licensed distribution system	The Working Group noted that the directly connected ENO would be liable for illegal abstraction by it or from its network by other Parties.
Rights of access/entry	We do not think electricity distributors have any statutory rights of entry to premises connected to private networks. Therefore we think distributors can only enter such premises where they are acting as an agent of the supplier	The Working Group noted that the comment is correct. The LDNO can enter the premises if it acts on behalf of the ENO, at the invitation of the ENO.
National Terms of Connection	<p>Sections 16 to 23 only apply to connections to licensed distribution systems. Terms for connections for consumers connected to private networks are ultra vires these provisions in the Act.</p> <p>Therefore, we think the National Terms of Connection can only apply in respect of the Electricity Distributor's network and to connections directly to that network.</p> <p>We do not think these terms can (or should) apply in respect of managing metering point arrangements on downstream private networks</p>	<p>The Working Group noted that there are no obligations to apply terms to a customer on a private network.</p> <p>The Working Group noted and agreed with the comment.</p> <p>The Working Group noted that where a connection takes place, that does not have a settlement meter at the boundary; it will be a condition of the NTC upon the ENO, that all connection points within the private network will be measured for settlement purposes.</p>

DCUSA

Clause 29	<p>Clause 29 requires suppliers to install and maintain meters at or as close as reasonably practicable to Exit Points (or Entry Points).</p> <p>1. DCUSA takes its definitions for these terms from the distribution licence which states:</p> <p><i>"Exit Point...means a point on the licensee's Distribution System at which units of electricity, whether metered or unmetered, leave that system."</i></p> <p>(Entry Points is similarly defined). i.e. under the current definition an Exit Point (or Entry Point) can never be located on a private network.</p> <p>Whilst we note that this duty on a supplier has a "reasonably practicable" duty, we nonetheless placing metering at significant distances from the Exit or Entry points is taking the interpretation of this to the extreme.</p> <p>Rights of the electricity distributor under sub clauses 29.6 to 29.8 are unenforceable on connections to private networks.</p>
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BSC and MRA

We think it is important that provisions in DCUSA should not compromise provisions in the BSC or MRA. We believe the current arrangements and the proposed arrangements under this change proposal may be inconsistent with the provisions of Section K of the BSC

Section K of the BSC describes exports and imports in terms of Boundary points to and from the Total System, where:

- "Boundary Point": means a point at which any Plant or Apparatus not forming part of the Total System is connected to the Total System.
- "Total System": means the Transmission System and each Distribution System; and
- "Distribution System": means:
- (i) all or part of a distribution system in Great Britain operated by a Licensed Distribution System Operator; and
 - (ii) all or part of any other distribution system in Great Britain for which the condition is satisfied that all entry/exit points are subject to registration in SMRS pursuant to the provisions of the MRA;
- provided that:

- (a) such distribution system or part thereof is connected to the Transmission System at Grid Supply Points which fall within only one Group of GSPs, and
- (b) where part only of a distribution system is comprised in a Distribution System, each other part thereof must be comprised in one or more other Distribution Systems;

where:

- (1) 'distribution system' has the meaning given to that term in section 4(4) of the Act, following amendment of the Act by section 28 of the Utilities Act 2000;
- (2) 'entry/exit point' means a point at which electricity may flow on to or off such distribution system other than from or to the Transmission System or another such system or a distribution system referred to in paragraph (i) above;

Except that prior to the BETTA Effective Date every use of the words Great Britain in such meaning shall be deemed to be a reference to England and Wales;

Electricity Licence

Detailed Comments to DCP124 legal drafting.

Reference	Comment	
Use of the term licence exempt distribution system	The circumstances that permit licence exemption are described in regulations pursuant to the Act. Where an unlicensed network operator of a private network does not satisfy the requirements of these regulations it will not qualify as a licence exempt distributor. We think there may be a number of circumstances where this is the case. i.e not all unlicensed distributors are necessarily licence exempt. Therefore, we think the use of the term licence exempt distribution system may be the wrong term to use.	Using the term exempt Distributor, because it relates to those Parties who are entitled to be in the role. The WG have introduced additional drafting to cover off instances where third party is or is no longer able to operate as a license exempt distributor.
Page 1 of 136, and also top of page 2	Amend inserted text to "...connect directly <u>to</u> the network..."	Noted and amended.
Connection Point Metering Equipment	The definition is repeated twice. We do not understand why this is	Noted and amended.

	<p>defined as metering equipment belonging to the Company. The ownership of the metering equipment could be by a number of parties, e.g. by:</p> <ul style="list-style-type: none"> • The Company • The private network owner • A supplier (particularly where the Connection Point is the Boundary Point and the metering is settlement metering) • A third party agent acting for and behalf of one of the above <p>This point appears to be recognised in the definition of Connection Point metering where reference to a Meter Operator Agent is used (however see below)</p>	
Connection Point Metering	<p>This definition refers to Meter Operation Agent which in turn is defined through reference to the BSC and to the Registrant. Whilst the definition states "<i>unless the context requires otherwise</i>" we think this insufficient to cater for the circumstances where a distributor may require metering to be installed for his own non settlement purposes; e.g. DUoS billing, revenue assurance, system management.</p>	Noted and amended.
Customer	<p>We do not think the definition of customer should extend to a customer connected to the private network. The relationship in the agreement should relate solely to the unlicensed network operator and his unlicensed network and the unlicensed network operators connection to the Company.</p>	Noted and amended. Have corrected all instances where customer is used. Any further issues will be addressed during legal review.
De-energisation	<p>This should only relate to de-energisation of the unlicensed network, and should not relate to de-energisation of customers of embedded metering point.</p>	Noted and addressed.
Disconnection Notice	<p>We do not agree that the Company should be responsible for disconnection of embedded metering points. We do not think the distributor has sufficient rights to impose disconnection in respect of third party unlicensed networks. (Such Metering Points fall out of the scope of the Electricity Act)</p>	Noted and addressed.
Energisation	<p>Energisation of an embedded metering point is outside the scope of these</p>	Noted and addressed.

	terms.	
Metering System	This definition is described in terms of BSC. Whilst the definition states " <i>unless the context requires otherwise</i> " we think this insufficient to cater for the circumstances where a distributor may require metering to be installed for his own non settlement purposes; e.g. DUoS billing, revenue assurance, system management.	Noted and will refer to Monitoring Equipment for LDNOs, for purposes.
Clause 2	We think this agreement should only relate to the connection of the embedded network to the Com[pany's distribution system. We do not think that this section 5 agreement applies to premises connected to the unlicensed network.	Noted and addressed.
Clause 4.1.2	" <i>Electricity Distributor's</i> " should read " <i>Electricity Distributor</i> "	Noted and addressed.
Clause 4.1.2	Delete reference to Embedded Metering Point.	The Working Group did not agree with the removal of the Embedded metering Point.
Clause 4.1.3	Delete reference to Embedded Metering Point.	See response above.
Clause 4.1.5	Delete. We do not agree that the terms of providing registration services are part of DCUSA. The offering of these services should be through a separate licence. We do not accept that a distributor should be entitled to impose its MPAS services on an unlicensed network through DCUSA. For example, a private network connected to a licensee's network out of its distribution services area could have MPAS provided in by another distributor operating within its distribution services area.	The Working Group felt that the wording does not seek to impose provision of MPAS services by any specific party. However a particular arrangement of operation chosen by the operator of the license exempt network, will necessarily but outside of this agreement, constrain what valid permutations of connection point MPANs and/or embedded metering point MPANs can exist in accordance with the BSC.
Clause 4.1.6(B)	We do not think that the private network operator has statutory rights of access to its network. We disagree strongly that the Company should be mandated to granted rights of access to premises that are not directly connected to his distribution system.	Agreed to seek legal advice.

	<p>We believe that the licensed distributors rights only apply where the licensee is an electricity distributor as defined by the Act in respect of their electricity distribution system. The Electricity Act does not give electricity distributors rights in respect of other parties distribution systems. Private networks are not covered by Schedules 3,4 and 6 of the Act. Also many of the other provision of the Act do not apply to unlicensed distributors (eg §16 to §23 of the Act)</p>	
Clause 4.1.7	Delete reference to Embedded Metering Point	The relevant user of generation has to notify the relevant Distributor of the presence of parallel generation and it would not be tenable for the exempt Distributor to be unaware of such generation and to not notify the license distributor. 4.1.4 The WG disagree with the removal of the reference.
Clause 4.4	Delete reference to Embedded Metering Point	Noted and addressed.
Clause 5.8	Delete reference to Embedded Metering Point	Noted and addressed.
Clause 5.11	<p>Delete reference to Embedded Metering Point. This agreement relates to the connection of a network. The agreement already states that the right for connection is not a right for the network to be energised. The Company has no relationship with the end customer in respect of energisation etc.</p> <p>If the Company provides MPAS services, then those services are quite narrow and relate to registration. Any energisation or de-energisation services of embedded metering points can only be undertaken where the distributor acts as an agent for the supplier or private network operator and not in its own right.</p>	The Working Group did not agree with the removal of the reference in the case of full settlement metering and de energised embedded metering points, the company has an interest and liabilities arising from usage of electricity through those metering points when our direct electricity supplier counterparty did not wish that usage to occur.
Clause 7.4	We disagree that the Company should be able to impose any obligation on the exempt distribution in respect of maintain the installations of user	The Working Group have made a change to the drafting since this comment was reviewed.

	<p>connected to their network. The provisions of the ESQCR's apply here. We do not think that DNOs should be able to impose obligations that are greater than the DNO has in respect of customers connected to its own networks.</p>	
<p>Clause 12.8</p>	<p>Delete. Use of system charging (and the provision of data to facilitate) is separate from connection and therefore separate from the connection terms. If the Company is to act as an agent for the exempt distributor and undertake charging on its behalf then managing capacity of individual customers will form part of that agreement. They should not form part of national Terms which, by definition will apply to all licence exempt networks across GB</p>	<p>The Working Group agrees that the text should remain as it is, pending changes to the use of system methodologies. In the case of Full Settlement metering with half hourly traded embedded metering points, the current Use of System methodology charge structure includes a capacity charge element. It would seem discriminatory to charge an embedded customer using less than the required capacity purely on their maximum demand but for a directly connected customer to charge on the higher required capacity.</p>