

**DCP 124 Consultation Collated Responses.**

|    |   | <b>Do you understand the intent of the CP?</b>   | <b>Working Group Comments</b>   |
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| 1. | Ecotricity  | Yes. The intent of DCP 124 is to update the National Terms of Connection to include a new section that lays out default standing terms. It will codify the obligations on private network owners to maintain the network. It will define the rights of the licensed distributor over the private network and its connections. It will also seek to ensure consistent network terms with third party connections. The DCP will ensure that there is a standard set of terms where a private network owner does not have an electricity supplier relationship. | Noted. It covers those that have a settlement meter at the boundary and those that don't. There as a backstop.  |
| 2. | Forth Ports Limited   | On balance we fail to see the necessity for this change where there are private networks serving non-domestic premises.  | Working Group noted that the respondent may not be aware of the number of private networks that do not have a bilateral agreement. Currently under the existing section 3 it does not cover off difference metering.<br><br>It's wider than those that have a bilateral agreement in place. |
| 3. | GTC   | Yes  | Noted   |
| 4. | Smartest Energy   | Yes we think so (but the full implications are not entirely obvious!)  | Noted and the implications will be developed through the Working Group.   |
| 5. | Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | Yes  | Noted   |
| 6. | SP Energy Networks  | We fully understand the intent of the CP.  | Noted   |

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| 7.   | SSE Energy Supply Ltd | Yes   | Noted   |
| 8.   | UK Power Networks     | Yes   | Noted   |
| <b>Are you supportive of its principles?</b> |                       |   |   |
| 9.   | Ecotricity            | Yes. We believe that this is the minimum that needs to be done in order to iron out a discrepancy that should have been resolved years ago. The status quo does not offer sufficient protection to customers and puts suppliers at risk. The latter is due to the fact that meter readings by customers within private networks cannot be verified. This means that suppliers may purchase the wrong amount of power and increases balancing costs. | The Working Group could not see why there would be a risk. Customer wants a Supplier relationship, must be a settlement meter installed.<br><br><b>The Working Group took an action to confirm with the respondent, what is meant by cannot be verified.</b>  |
| 10.  | Forth Ports Limited   | No. Paragraph 2.3 Suggests a rise in private networks as a result of the 2011 Regulations – we do not share this view, indeed we believe that there will be less private networks, as it is only where the network is of a substantial size that it will be worth the administrative burden of applying to Ofgem for approval of a methodology for charging etc... Therefore we do not see the compelling need for modification to the NTC.         | Working Group noted that the respondent may not be aware of the number of private networks that do not have a bilateral agreement.<br><br>The Working Group did feel that the network numbers will increase.<br><br>In relation to the administrative burden, the Working Group considered that the number of private networks, would fall under a criteria outline by Ofgem and therefore would not need to provide a methodology.<br><br><b>The Working Group took an action for Ofgem to confirm if and where any document exists.</b> |
| 11.  | GTC                   | No, see comments below.   | Noted, will respond to their comments   |

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| 12. | Smartest Energy   | Yes  | Noted  |
| 13. | Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | Yes, but with reservations in relation to potential Distributor interactions with customers who are connected to private networks (e.g. disconnections, energisations, etc).   | Noted  |
| 14. | SP Energy Networks  | From a DNO perspective, we are fully supportive of its principles.   | Noted  |
| 15. | SSE Energy Supply Ltd   | <p>Yes in principle.</p> <p>The CP is overly complex by attempting to deal with perceived issues with multiple occupancy premises alongside genuine private networks.</p> <p>The CP only addresses part of the embedded customer situation. Further work is required to enable customers to be offered a contract by another Supplier.</p> | <p>The Working Group noted the comments and will develop the CP on comments received, in order to simplify it.</p> <p>The Working Group noted the comments and agreed that there are further issues to be resolved in relation to embedded customers and their ability to choose a Supplier, but the intent of this CP only addresses the connection from the LDNO to the exempt licence distributor. Other matters are out of scope of this CP.</p> |
| 16. | UK Power Networks   | Yes  | Noted  |
|     |   | <b>Does the CP facilitate DCUSA General Objectives? Please give supporting comments.</b>   |  |
| 17. | Ecotricity  | We agree with Electralink's assessment that objectives one, three and five are furthered and that objectives two and four are not affected.  | Noted  |
| 18. | GTC   | No   | Noted see response below.  |

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| 19. | Smartest Energy   | We certainly believe it meets objectives 1,2 and 4. We cannot comment on 3 and 5.  | <p>The Working Group noted that Objective 2 may be facilitated, as the NTC are part of the resolution to ensure that there is competition in an area that is currently not open to Supplier competition.</p> <p>Working Group also noted that customer choice is already in place, this CP seeks to put a connection agreement in place. Therefore the CP could be neutral on objective 2.</p> |
| 20. | Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | Yes – Objective 5 in particular.   | Noted  |
| 21. | SP Energy Networks  | <p><b>We agree that the CP facilitates the following DCUSA General Objectives:</b></p> <ol style="list-style-type: none"> <li>1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.</li> <li>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</li> <li>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</li> </ol> | Noted  |

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|     |                       | of Energy Regulators.   |   |
| 22. | SSE Energy Supply Ltd | <p>Yes.</p> <p>It makes some necessary rule changes to permit an embedded customer to change Supplier. The CP facilitates objectives 2, 3 and 5.</p>  | Noted, see response to objective 2 above. |
| 23. | UK Power Networks     | <p>Objective 1 – Better Facilitated.</p> <p>We believe that the change will make the operation of the Distribution System more efficient. There are clear benefits in having standard terms that are clear and understood by all Parties and, critically, that remain in force across changes of ownership or occupation of private networks.</p> <p>Given the volume of such private networks there would otherwise need to be an unworkable volume of bilateral connection agreements which would require novation on change of ownership or occupation. A novation approach would be inherently flawed given the high dependency on the licenced distributor being notified of change of ownership/occupation by the outgoing or incoming private network operator.</p> <p>Objective 2 – We believe there is no impact.</p> <p>Objective 3 – Better Facilitated.</p> <p>We have an obligation under the Electricity Act to set out terms of connection and the proposal provides default connection terms where the connection to the private network is not settlements metered meaning invocation of connection terms through a supplier agreement would not be possible. Doing so bilaterally and in a way that continues</p> | Noted                                     |

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|  |  | <p>through changes in ownership or occupation of the private network would not be feasible.</p> <p>We also have obligations under the Electricity Act, specifically to agree the import or export capacity that the licence exempt distributor has requested. Requested capacities are subsequent to the terms of connection but the benefit of the proposed terms is to make clear the obligation of the private network operator in specifying maximum import and export capacities and to not exceed those capacities or otherwise apply for modification. In setting out the basis of maximum capacity usage we believe that the CP will underpin the subsequent effective discharge of LC12 and LC14 in terms of consequent charging or changes to capacity requirements (leading to connection charges and changed use of system charging)</p> <p>Objective 4 – We do not believe there is any impact.</p> <p>Objective 5 – Better Facilitated.</p> <p>The CP provides a codified basis of connection that helps support the needs of the Gas and Electricity (Internal Markets) Regulations 2011. We believe that the new regulations require easily applied and efficiently managed terms to support the opening of competition that is intended. Having default terms in existence governing the connection of the private network to a licenced distributor’s system ensures that further barriers to ease of competitive market access by tenants of a private network are avoided. Specifically we believe that the alternative of bilateral connection agreements for each private network would be far more difficult to implement, not possible to accurately maintain and keep up to date and present, although fairly peripherally, a potential impediment to facilitating competitive market access.</p> |  |
|  |  | <p><b>As discussed in para 3.5 of this consultation are the limitations of liability proposed in section 5 of Appendix B appropriate</b></p>   |  |

|     |                     | <b>when considering for example a large single domestic residence compared to a similar residence converted into multiple domestic usage and now classed as a commercial private network?</b>  |  |
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| 24. | Ecotricity          | <p>We believe that there needs to be a paragraph in clause 5 (which refers to de-energisation) that clarifies the rights of individual customers embedded in private networks and how they could be affected if the Exempt Distributor or another customer in the same network conducts itself in a manner which would allow the Company to de-energise the supply to the private network.</p> <p>Customers in private networks should also be given the right to have their own meter installed so that their supply rights are no longer subject to the conduct of the Exempt Distributor. Landlords and private network owners should be obliged to allow this but not to pay for it.</p> | <p>This question relates to Clause 15 of page 125, of Appendix B, which talks about liability values and where they apply to the exempt distributor only.</p> <p>Their concern should be addressed as part of the connection agreement the customer should have with the exempt distributor.</p> <p>The Working Group agreed with the second comment, but is not addressed under NTC, it is however addressed under the BSC.</p>                             |
| 25. | Forth Ports Limited | <p>We cannot see the need for this change in an industrial context. As an operator of large private networks in ports, we see no need for the proposal at para 3.5, which essentially applied National Terms and Conditions statutorily to the customers of private networks, despite there not being a relationship with suppliers. This appears to be contrary to the Gas and Electricity (internal markets) Regulations 2011, which states that the network may have its own terms and conditions of access. Furthermore, whilst this may be deemed appropriate or necessary for domestic customers, it appears completely irrelevant in an industrial setting.</p>                       | <p>The Working Group noted the comment and currently industrial scale networks with settlement metering is covered off by section 3. This CP seeks to differentiate exempt distributors from other customer groups by having a separate section. The same liability is currently in place between section 3 and section 5. This question relates to the liability being of proportionate value, in regards to the number of licence exempt distributors.</p> |
| 26. | Smartest Energy     | <p>We presume that the limitations of liability centre around this clause:</p> <p>15.10 Nothing in this Clause 15 shall entitle a user of an Embedded</p>  | <p>The Working Group noted that these liabilities should go through customer to the exempt distributor.</p>  |

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|     |   | <p>Metering Point to bring any claim against the Company and the Exempt Distributor shall fully indemnify the Company against any such claim.</p> <p>In our view the comparable (or otherwise) nature of premises is irrelevant, especially where a blanket change is being made. There will still be some customers on what we might term real commercial private networks. The issue is whether the limitations of liability are appropriate where rights are being sought. On the basis that DNOs will only be charging for up to the boundary point then some limitation may be relevant, but where the DNO is claiming rights of involvement up to the meter point there should be reciprocating liability.</p> <p>In summary, the limitations of liability are not appropriate.</p> | <p>The clause is needed for the avoidance of doubt.</p> <p>The Working Group agreed to review the clause and update it to ensure clarity.</p> <p>End customers can only claim against exempt distributor.</p> <p><b>Working Group agreed to seek legal advice, on the liability clause in section 15.10 page 136 appendix B.</b></p>  |
| 27. | Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | <p>We feel that a two-tier liability limit, along similar lines to the levels currently within the NTC, would be more appropriate. In Section 2 of the NTC, connections subject to whole current metering have a liability limit of £100,000, whereas connections which are subject to CT metering or are unmetered are subject to a £1,000,000 limitation. We believe that £100,000 is a more appropriate level for smaller private network connections (e.g. the sub-divided residence). A value of £1,000,000 could potentially be applied where there are any CT metered installations within the private network.</p>  | <p>The Working Group agreed to update the liability clause to reflect the amount of liability proportionate to the assets installed. To address the possibility of LDNO/exempt distributor boundary not being metered, the liability application is likely to be based on higher of the maximum import or export capacity.</p> <p>Consideration will be given to section 2 and 3 of the NTC when reviewing this clause.</p> |
| 28. | SP Energy Networks  | <p>We do not believe it necessary to apply the proposed "Section 5" terms for every licence exempt network regardless of voltage, size or whether or not embedded settlement metering has been installed. For most licence exempt networks the relevant category of customer connections should apply (i.e. sections 2-4). We think that section 5 could apply above a preset threshold (e.g. 100 kVA) or where embedded settlement metering had been installed, to enable the upstream network operator to ensure that it can meet its reporting</p>   | <p>The Working Group noted that section 5 is needed to address LDNO connections to the exempt distributors as a distinct group, regardless of scale of undertaking. With regard to section 5 100 kVA, is already covered off in section 3.</p>  |

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|     |                       | and other obligations.  |  |
| 29. | SSE Energy Supply Ltd | It is not clear how a Supplier's liability is impacted by this CP.  | The Working Group noted that this section of the NTC does not impact the Supplier. |
| 30. | UK Power Networks     | <p>We believe the distinction is appropriate, in so much as the relatively crude demarcation between domestic and non-domestic liabilities that is broadly made by the division of Part 2 and Part 3 of the NTC is already accepted in principle.</p> <p>A person electing to operate electricity wiring to transfer electricity from its connection to other persons' connections, i.e. operating an undertaking, could fairly be equated to a commercial operation that would ordinarily be anticipated to be covered under Part 3 if its connection were settlement metered. The proposed Part 5 matches Part 3 in respect of liability.</p>   | Noted.   |
|     |                       | <p><b>Because the National Terms of Connection are only intended at this time to apply to direct connections to a licenced distributor's system;</b></p> <ol style="list-style-type: none"> <li><b>1. Do Suppliers need to offer different contractual terms where they engage in supply provision to customers embedded within private networks, and</b></li> <li><b>2. The current requirement of DCUSA (Clause 17 and related Schedule 2A) is that the relevant electricity supplier procures the commercial application of the NTC in its contracts with Customers or Generators and DCUSA does not specify if this obligation relates only to Customers or Generators connected directly to the licenced distributor's system. Does DCUSA need to be changed to expressly limit the commercial application of the NTC through electricity supplier contracts to only those customers directly connected to a licensed</b></li> </ol> |  |

|     |            | <b>Distribution system (a proposal to do so is set out in Appendix C)?</b>   |   |
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| 31. | Ecotricity | <ol style="list-style-type: none"> <li>1. No, we believe that if this proposal goes ahead and achieves its aims then differences within the contractual terms will not be needed.</li> <li>2. If this proposal goes ahead then that will not be necessary. It will simply be a case of ensuring that the relevant part of the NTC is referenced.</li> </ol>  | <p>The Working Group noted that NTC is only applicable to customers connected directly to the licensed distributor networks and as such different contractual terms would have to be put in place between a Supplier and a customer connected to a private network. There should be connection terms between a private network operator and their customer.</p> <p>The Working Group agreed that it is necessary to change schedule 2A due to the comment made above.</p> |
| 32. | GTC        | <p>Objective 1 relates to enabling DNOs (and IDNOs) to better enables "...the development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System". Note Distribution System relates to the distribution system of the licensee. We have not seen why this CP better facilitates this.</p> <p>The objective of "... 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" relates to distributors in respect of the facilitating services in respect of connections to their distribution system. We do not believe the objective means facilitating competition on distribution systems which the distribution party neither owns nor operates.</p> | <p>The Working Group believed that there is efficiency in the administration of a single NTC against multiple bilateral agreements.</p> <p>The Working Group are neutral as to whether the CP better facilities objective 2.</p>  |

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|     |   | <p>Distribution licensees have an obligation to offer MPAS services. However this change proposal does not address the provision of such service. Whilst distributors may offer to act as an agent for the supplier or private network operator, we feel the provision of many services are outside the scope of licence obligations.</p> <p>It is implicit in some of the drafting that DNOs may offer (and we recognise that in in some cases do so now) DUoS billing services. This is not a licence obligation. Indeed we note that in respect of IDNOs, DNOs have been insistent that IDNOs not only operate DUoS billing in respect of their own systems but also have to bill, collect and bear the full liability in respect of DUOS for a customer's use of the upstream system. Any development of terms or services for metering points on private networks must not unduly discriminate against IDNOs.</p> <p>We feel that the work to date has focussed narrowly on drafting and has failed to recognise that significant parts of the Electricity Act (§§ 16 to 23, schedules 3, 4 and 6 for example) do not apply to private networks. Therefore private network operators do not have the same statutory rights of distributors.</p> | <p>In line with the current NTC, no such arrangements offered have no connection with UoS and other services associated with it. The Working Group noted that this CP does not relate to MPAS services.</p> <p>The Working Group agreed with the comment and noted that the NTC should not cover off any UoS arrangements. Where this is identified, further discussions will be made as to where it could sit. <b>The ENA Working Group looking at UoS will consider these comments.</b></p> <p>The Working Group agreed that private network operators do not have the same statutory rights of distributors.</p> |
| 33. | Smartest Energy   | <p>Our contracts already place an obligation on the customer to accept the terms of the NTC. This change proposal will make our contract more meaningful for embedded customers.</p> <p>No</p>   | <p>The Working Group does not agree with the comment. The NTC is only applicable to customers directly connected to the LDNO network. This CP is looking at exempt distributors connecting to an LDNO network.</p>  |
| 34. | Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | <p>1. We do not have sight of Supplier contractual terms. This would therefore be a matter for Suppliers to comment upon and address.</p>  | <p>The Working Group agrees with comment 1. Change to Schedule 2A will make it clear that it is only relevant to customers who are directly connected to LDNO network. Suppliers will therefore need to ensure that where they gain customers on an exempt</p>  |

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|     |                       | <p>2. Whether it is necessary or otherwise, it would be helpful to make it clear and distinct in the DCUSA that the NTC applies only to customers who are directly connected to a licensed Distribution System.</p>   | <p>distributor network, they will need to consider what impact this will have on their contractual terms that they offer the customer.</p> |
| 35. | SP Energy Networks    | <p>1. Yes, it would be appropriate for Suppliers to offer different terms.</p> <p>2. Yes, DCUSA should be updated to apply to directly connection customers only.</p>   | <p>Noted, see above.</p>   |
| 36. | SSE Energy Supply Ltd | <p>1. Yes.</p> <p>2. The DCUSA terms need to be clarified.</p>  | <p>Noted, see above.</p>   |
| 37. | UK Power Networks     | <p>We believe that Suppliers need to ensure that their terms with customers that are not directly connected to the licenced distributors system do not make or imply the application of the licenced distributor's terms of direct connection where the licenced distributors do not intend or expect that application of terms to the indirectly connected customer to be made.</p> <p>We consider that the text of Schedule 2A needs modifying to remove the ambiguity in the licenced distributor requirements.</p> <p>We consider that Clause 17 of the DCUSA itself does not need modifying.</p> | <p>Noted, see above.</p> <p>Noted, see above. The intent of the Working Group was not to change this</p>                                   |

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|     |            |  | clause.  |
|     |            | <b>As discussed in paragraphs 3.8 and 3.9 of the consultation document, there are impacts on the ability of licence holders to discharge their obligations where the settlements boundary does not fully align with the connection to the licence distributor’s system. What modifications to the NTC might be necessary to create obligations directly between the private networks’ embedded customers and the upstream licensed distributor?</b>  |  |
| 38. | Ecotricity | The NTC must enable data flows from private network operators to all interested parties.   | <p>The Working Group noted that this is a use of system issue and not a connection terms issue.</p> <p>The Working Group does not envisage licence exempt distributors becoming party to data flow mechanisms.</p>   |
| 39. | GTC        | <p>Licensed distributors place obligations on licensed suppliers through the DCUSA (to which they are party) to put the NTC in place with the customer through their supply contracts.</p> <p>We think it is wrong that the NTC should be used to establish contractual relationships between the end customer and the DNO whose network the private network connects. We think that Section 5 of the proposed NTC should only apply to connection characteristics and use at the boundary to the DNO network.</p> <p>We acknowledge that there may be issues of suppliers connecting meters beyond Boundary Points and the Total System (both as defined and described in the BSC). However, we think issues in this area, if there are any, reside within the BSC/MRA or DCUSA and not within the scope of the NTC</p> <p>We feel it is important to note that that the NTC are put in place</p> | <p>Agreed.</p> <p>Codifying a new form of connection. For example: 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</p> |

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|     |   | pursuant to §§16 to 23 of the Act. Connections to unlicensed networks are outside the scope of this part of the Act.   | settlement purposes.<br><br>Group noted that that section 16 sub clause 1B.Relates to authorized distributor, which is a licensed or licensed exempt. The group agreed that this is an acceptable arrangement to have in place of the NTC. Section 64 of the Act, footnote F208, creates the defined term. |
| 40. | Forth Ports Limited   | We cannot see why there needs to be such a relationship. If there is an issue with the embedded customer it is for the ENO to resolve through whatever means are appropriate – whether additional charges as laid out in their Ofgem approved methodology through to de-energisation. Again this appears very focussed on small domestic networks and not large industrial settings where the networks may have customers at EHV, HV, LV and multiple transformations take place in the network. | Agree that there is probably a need for Supplier and exempt distributor interaction in such instances.<br><br>Combination of the suppliers rights plus the NTC terms on the ENO, that means there is enough controls for the license distributor.  |
| 41. | Smartest Energy   | We have no views on this.  | Noted  |
| 42. | Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | This would benefit from a specific legal opinion on behalf of DCUSA.   | Noted  |
| 43. | SP Energy Networks  | None, the DNOs agreement is with the private network operator.   | The group agreed with the comment.<br><br>This CP will not put a direct obligation on the end customer. But it will ensure that the situation is managed. See response to comment 39.  |

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| 44. | SSE Energy Supply Ltd | The issue around align of settlements boundary and connection would not arise if the CP were limited to dealing with private networks with settlement metering at the connection.   | The Working Group noted that a key aspect of what the CP is seeking to address is the scenario of a connection to an ENO that does not have settlement metering.  |
| 45. | UK Power Networks     | <p>It is unclear to what extent the licenced distributor can solely and wholly rely on the licence exempt private network owner to prevent and control excessive or dangerous or interfering usage of electricity or illegal abstraction of electricity (indeed the private network operator itself may be an indirectly connected customer). Whilst the proposed Part 5 sets out controls and obligations on the private network operator we remain concerned that in many cases the private network operator is not present on site and may be difficult to contact in the timescales required for action or may be unwilling to take action to address such concerns especially if the private network operator is implicated in undesirable acts or omissions.</p> <p>It might be necessary to consider what direct rights of access to the customer's connection might be required by the electricity supplier and licenced electricity distributor to enable compliance with industry obligations without recourse to disconnecting or de-energising an entire private network.</p> | <p>See response to comment 39.</p> <p>Following a discussion with the respondent, it was confirmed that their comments have be addressed.</p> <p>The Working Group noted that it will not be a LDNO responsibility to require rights of access to connection points within the private network. Would expect all Supplier terms to have such arrangements also in place. It is expected that the LDNO would have an obligation to de energise the private network, for the conditions stated.</p> |
|     |                       | <b>Do you have any other comments or observations around the arrangements for connection, metering and settlement for private networks and embedded customers that may impact on the pre-requisite terms of connection?</b>   |   |
| 46. | Ecotricity            | We believe that a preferable situation would be to abandon the entire   | Not possible to abandon electricity   |

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|            |            | <p>system of private network operators.</p>  | <p>market access for private network customers due to UK and EU legislation.</p>   |
| <p>47.</p> | <p>GTC</p> | <p>Leaving aside the detail of this change proposal we think this change proposal is outside the scope of DCUSA. The purpose of DCUSA is the governance of the contractual relationship between Electricity Distributors and users of Electricity Distributors’ distribution systems. The Electricity Act is quite specific in that it defines an Electricity Distributor as a person who is authorised by licence to distribute electricity. As a consequence obligations under §9 of the Act “...to develop and maintain an efficient, co-ordinated and economic system of electricity distribution...” only apply to licensees.</p> <p>The change report states “The CP seeks to update the National Terms of Connection (NTC) to address contractual matters arising from changes in Supplier choice available to the customers who are connected to networks of private network operators i.e. Licence Exempt Distributors”.</p> <p>Additionally, there are a significant number of aspects of the Act which only apply to licensed distributors and which do not apply to unlicensed network operators.</p> <p>Connection terms need to be in place to govern the connection</p> | <p>The Working Group noted that the NTC is commercially referenced in the DCUSA. The NTC have in their own right been deemed to be statutory terms and therefore exist independent of DCUSA in any event. Section 16 does apply and the group considers is appropriate. Other sections of the act equally apply.</p> <p>The CP is applying appropriate obligations on the ENO. In order to ensure such arrangements can be put in place.</p> <p>This CP is seeking to put in place</p> |

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|  |  | <p>arrangements at the boundary between the private network owner and the licensed distributor. This is the same as is the case for the connection between an IDNO network and a DNO network. Such case is covered through parts of the DCUSA (because DNO and IDNO are both parties to DCUSA) and separate bilateral agreements (which DCUSA provides as an illustrative example in the Schedules). The relationship between the supplier and the IDNO is described and established through the DCUSA (because IDNO and Supplier are both parties to DCUSA).</p> <p>Licence Exempt Distributors are not party to the DCUSA and are unlikely to be parties to the MRA or the BSC. We think it is wholly outside the scope of DCUSA for it to prescribe the relationship between a customer and the owner of an unlicensed network to which the customer connects, or to prescribe the relationship in place between the licence exempt distributor and the supplier.</p> <p>In respect of connections to DNOs, licence exempt distributors are similar to IDNOs (both provide the last mile of electricity distribution networks). Therefore we would be concerned if this change proposal developed terms that resulted in DNOs unduly discriminating against IDNOs in respect of the or offered services that unduly discriminated</p> | <p>default connection terms between private network operators and Licensed Distributors, and not seeking to impact current terms between DNO and IDNOs.</p> <p>The Working Group noted that the CP should not seek to prescribe the relationship between customers and the owners of unlicensed networks or between suppliers and unlicensed network owners. It may be the case that the nature of the connection requirements between DNO and ENO may constrain or point to appropriate relationships between the ENO and its customer and between Suppliers and customers and Suppliers and exempt Distributors, in order to satisfy the connection terms between DNO and ENO.</p> <p>The group noted that there is an obligation on DNOs to provide certain services under their licenses (see Standard Licence Condition 35).</p> |
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|     |   | <p>between the services that DNOs have offered to IDNOs</p> <p>To put it plainly, for IDNOs the upstream DNO distributor:</p> <ul style="list-style-type: none"> <li>• Does not establish or manage the relationship between the supplier and customer</li> <li>• Does not carry out DUoS Billing of the supplier for and on behalf of the IDNO, (the IDNO bills the supplier all the way charge and collects the upstream DNO's DUoS for and on behalf of the DNO).</li> <li>• Does not manage the settlement relationship for connections on the IDNO system.</li> </ul> | <p>The Working Group noted that the CP is not seeking to establish or manage the relationship between Suppliers and Customer.</p> <p>The CP will not cover any use of system obligations.</p> <p><b>Action:</b> Working Group agreed to consider sch 6 when reviewing the legal text.</p> <p>The only condition within the NTC is to ensure the settlement arrangement can continue when there is no boundary meter installed.</p> |
| 48. | Smartest Energy   | See below  | Noted  |
| 49. | Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | We are very uncomfortable with the potential for having to undertake any works on a private network, or at/on the user connections within a private network. We are also uncomfortable with the requirement for access rights to the premises of users who are connected to the private networks (and therefore not themselves covered by the NTC). Having said this, we recognise that this may be an inevitable consequence of the third party access framework.   | See response above. The Working Group will modify the legal text to ensure this is not the case.   |
| 50. | UK Power Networks   | Some further requirements on private network operators and customers within private networks might be required where the private network operator or its customer operate metering class Current Transformers and Voltage Transformers for settlements purposes, noting that the BSC obligations in respect of the accuracy and correctness of this equipment and the provision of information to  | The Working Group noted it will need to ensure that the NTC requires the ENO to comply with relevant requirements made of it by authorised electricity operators in order to sustain compliant settlement metering.  |

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|   |   | <p>the meter operator agents falls upon the equipment owner. The private network operator might own the CTs or VTs at the boundary between the licenced and licence exempt distribution networks. Either the private network operator or its customer might own the CTs or VTs at the boundary between the licence exempt distribution network and the customer's installation.</p> <p>In the context of metering changes or any defect reports made to the licenced distributor, the private network owner should be obligated to notify and keep notified the licenced distributor of their operational contacts for reporting and safety communications, most immediately due to smart meter rollout. Our expectation is that many older private networks may have equipment which the meter operator is unwilling to operate and will be reported to the licenced distributor to repair or replace. In such circumstances the licenced distributor requires contact details from the private network operator to communicate the need for the private network operator to take some action with their equipment. An enduring obligation to provide contact details would be beneficial in any event.</p> | <p>The Working Group noted that the issue is around obligation to notify of communication contact details.</p> |
| <b>Do you have any comments on the proposed legal text?</b> |   |  |  |
| 51.   | Ecotricity  | Please refer to our comments in response to the fourth question on Section 5 of appendix B.  | See response to above.   |
| 52.   | GTC   | See additional comments  | See Working Group comments on additional document provided.  |
| 53.   | Smartest Energy   | None other than the comment on 15.10 above   | Noted.   |
| 54.   | Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | See separate submission.   | See Working Group comments on additional document provided.  |

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| 55. | SSE Energy Supply Ltd  | <p>Yes.</p> <p>The proposed drafting is overly complex and makes references to BSC arrangements for metering on private networks when these arrangements have yet to be agreed under the BSC.</p> <p>The CP should be part of a coordinated industry activity to facilitate third party access to private networks.</p>  | <p>The Working Group noted that the BSC does currently have these obligations. The third party access group are looking at improving the current arrangements. The CP is not trying to address how settlement metering is done. The CP seeks to state what the alternative is, if it is not wholly done at the boundary that the alternative arrangement continues to fully measure the energy for settlement purposes.</p> |
| 56. | UK Power Networks  | No   | Noted   |
|     |  | <b>Are there any wider industry developments that could impact this CP?</b>  |   |
| 57. | Ecotricity   | The effect on community energy schemes should be considered. This proposal will add more value to such schemes because they will increase the visibility of the energy data.   | The Working Group noted that comment and agreed that it was not relevant to this CP.  |
| 58. | Smartest Energy  | This CP is in some way related to ENA's Third Party Use of System Charging Consultation. We believe it is important that settlement metering is maintained at the ENO/DNO boundary even where all customers have settlement metering themselves so that any charging arrangements which fall out of that work can be accommodated.   | Arrangements in respect of NHH metering, don't support NHH difference metering. So at present for the majority of private networks, there exists a requirement to support connections to exempt networks, without settlement metering of the boundary.  |
| 59. | Southern Electric Power Distribution plc and Scottish Hydro Electric Power | There is ongoing work through the ENA to determine the metering, settlement and use of system arrangements required to enable third party access. The changes to the NTC contemplated by this Change Proposal must be consistent and compatible with these market arrangements and (if approved) should only come into effect when these related matters are fully resolved. | The Working Group noted that the CP does try and set out the generic requirements and does not make it contingent on what if something happens, in other codes.   |

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|     | Distribution plc    |   |  |
| 60. | UK Power Networks   | No  | Noted  |
|     |                     | <b>Are there any other matters that should be considered by the Working Group?</b>  |  |
| 61. | Ecotricity          | We are happy that all relevant matters have been considered.  | Noted  |
| 62. | GTC                 | See additional comments   | See Working Group comments on additional document provided.  |
| 63. | Forth Ports Limited | <p>Paragraph 2.6 – ‘The CP also seeks to codify the obligations on private networks to maintain the network, so as not to affect other Parties obligations that are in place for customers connected, which are settlement metered’. This is contrary to the reassurances given by DECC to ourselves as the Regulations were drafted and debated. We specifically raised these issues with DECC (both in meetings (including a meeting chaired by Lord Berkley in the House of Lords) and in writing), they categorically stated (repeatedly) that there would be no increase in current liabilities to private network owners and the terms of connection to the network could govern these risks. We are therefore working on this basis and are in the process of drafting connection agreements both for our customers and their suppliers. Paragraph 2.6 – states that settlements are not currently devolved into private networks. We understand from one of our customers that they have a settlement meter inside a private network currently – though how it operates is far from clear. Certainly, it is only a matter of months before this does take place.</p> <p>Paragraph 2.7 – We cannot accept the licensed distributor having rights over the private network. This is completely unacceptable. ENO’s are not covered by the Electricity act, this is the point of the designation. As for the measurement of losses, illegal abstraction etc, that is the LDO’s responsibility only up to the point of the ENO boundary meter, it is not the LDO’s responsibility within the private network. Within the private network it is the responsibility of the ENO,</p> | <p>The Working Group noted that there is an obligation on the customer, or the owner of the private network, to keep their installation maintained and safe.</p> <p>Nothing in the proposed part 5, is seeking to strengthen those obligations, further than already set out in part 3.</p> <p>In relation to comments on 2.7 see previous comments.</p> |

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|     |                       | <p>as they see fit. Again this may appear more appropriate in a domestic setting, but is wholly unacceptable in an industrial network with industrial customers.</p> <p>At paragraph 3.3 we fail to understand the issue relating to 'churn of ownership'. Our ports have existed for many decades, in most cases, pre-dating the invention of electricity. We fail to see the issue of change of ownership, surely any agreements migrate with the company when it is taken over?</p> <p>At paragraph 3.14 – having a right of access to our network is wholly unacceptable; there are all sorts of security and health and safety issues associated with this aside from anything else. Under no circumstances should the private network's equipment be tampered with. If a customer needs to be de-energised, then it may be appropriate for the LDO to make such a request to the ENO, but if the Full Boundary Metering approach (as detailed in the Energy Networks Association consultation), then there is no direct relationship between the customer and the LDO, the relationship is through the ENO, therefore there would be no need for such powers. Even if the customer charging method were chosen, it would be for their supplier or the DNO to make the appropriate request to the ENO for de-energisation etc.</p> <p>This document appears to have been written in the context of domestic private networks. We can see no relevance to non-domestic –industrial networks akin to those we operate.</p> | <p>The Working Group noted that the vast majority of private networks don't have settlement metered boundaries or agreements. And therefore it is necessary to have terms of connection that apply to subsequent owners of the private networks without recourse to bilateral agreements which would then need novating but rarely would. The group recognise that private networks such as Docks are in a different position of being highly visible and subject to very infrequent changes in ownership.</p> <p>The Working Group noted the comments on paragraph 3.14. See response above.</p> <p>The Working Group noted that the CP is seeking to also address commercial private networks with unmetered boundaries.</p> |
| 64. | Smartest Energy       | No  | Noted  |
| 65. | SSE Energy Supply Ltd | A full solution requires an industry wide discussion, with the involvement of the BSC, MRA and OFGEM. The CP should be part of a coordinated industry activity to facilitate third party access to private networks.  | The third party access working Group involved BSC, MRA and Ofgem, together with private network operators, Distributors Suppliers and customers. The group is looking at how   |

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|     |                   |    | the industry needs to operate on a use of system and settlement perspective. If you wish to attend this meeting or the third Party access meeting the Working Group would be please to provide any party with further details. |
| 66. | UK Power Networks | No | Noted  |