

DCUSA DCP 114 Consultation responses – Collated Comments

Company	1. Do you consider that DCP 114 (NTC Amendments - Capacity Management (Over Utilisation) better facilitates the DCUSA objectives?	Working Group Comments
Electricity North West	<p>Yes</p> <p>3.1.1 - the development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System,</p> <p>will be better facilitated. Without such a proposal the distributor may be constrained by having to develop the network around customers who are in breach and do nothing about it. As a consequence of this they may impact other customers who require additional capacity in the area.</p> <p>and</p> <p>3.1.3. the efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences,</p> <p>will be better facilitated by ensuring that SLC14.21 is based on more accurate data.</p> <p>“The licensee must, in accordance with the requirement of paragraph 14.23, give or send to any person on request a report (“the capacity report”) which shows present and future circuit capacity, forecast power flows and loading on the part or parts of the licensee’s Distribution System specified in the request, and fault levels for each distribution node covered by the request.”</p>	Noted

GTC	We understand and have some support for the intent. However we do not feel that as drafted the CP better meets the objectives. We set out our concerns in responses to the questions below.	Noted
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Yes, particularly General Objective 1.	Noted
UK Power Networks	Yes	Noted
Wessex Water	We appreciate the problems that over utilisation of capacity could have on asset life and the risks to all customers caused non-compliance with P2/6 as a result of over utilisation. However, other solutions should be considered before this is implemented, see section 3. below.	Noted
Npower	Objective 1 only.	Noted

Northern Powergrid	Yes	Noted
WPD	Yes	Noted
Major Energy Users Council (MEUC)	No Comment	Noted
SP Distribution / SP Manweb	We agree with the working group's assessment that DCUSA General Objective One is better facilitated.	Noted

Company	2. Do you have any comments on the proposed legal text for DCP 114?	Working Group comments
Electricity North West	<p>12.4 – replace 'service' with 'serve'</p> <p>12.8 – this clause makes reference to clause 12.7.8 and there isn't one. It should refer to clause 12.7.7</p> <p>Clause 12.9 – section 23 of the act entitles either party to refer a dispute, so for clarity within the legal text please replace 'the customer' with 'either party' within clause 12.9</p>	<p>The Working Group agreed that the legal text should be amended in line with the suggestions made by the consultation respondent. Action ElectraLink</p> <p>It was also agreed that the DCUSA legal advisor should be asked to check for consequential changes to cross references as part of the DCP 114 legal review. Action ElectraLink</p>

	<p>Determination of disputes.</p> <p>23.—(1) Any dispute arising under section public electricity supplier and a person requiring</p> <p>(a) may be referred to the Director by either</p> <p>(b) on such a reference, shall be determined by the Director or, if he thinks fit, by an arbitrator, appointed by him;</p> <p>and the practice and procedure to be followed in such determination shall be such as the Director may consider appropriate.</p> <p>There is also a cross reference change associated with the current clause 21.1 whereby the reference to clause 12.6 will become 12.9.</p>	
GTC	<p>We have concerns that the legal text goes beyond the vires on what terms a distributor can impose on a customer and may be inconsistent with in some aspects with the provisions under the Electricity Act and under the ESQCRs:</p> <ol style="list-style-type: none"> 1. Whilst customers may be subject to a site specific connection agreement (or where a former customer has been subject to site specific connection agreement) it is likely that there will be a record of what the maximum import (or export) capacity is. However, this is much less likely to be the case where no site specific arrangement has been entered into. In order to determine a breach there needs to be agreement on what the MIC (or MEC) is. This will particularly be the case with sub 100kW customers (profile class 5 to 8) customers migrating to HH trading. 2. Exceeding the MIC or MEC appears to have two potential consequences: <ul style="list-style-type: none"> • The first is that exceeding the MIC or MEC either presents a danger or interference to other customers; 	<p>The Working Group suggested that GTC may be discussing an earlier version of the legal text, as some of the verses that they quote are not contained within the current legal text.</p> <p>ElectraLink took an action to feedback to GTC that the group believe that they have commented on an earlier version of the legal text. GTC should be provided with the latest version of the text and invited to comment on this version. Action Electralink</p> <p>A Working Group member suggested that he disagrees with point 4 of the response. The principle aim of the CP is not to address charging. The purpose of the CP is to put a process in place to manage potential danger arising from overloading the system from manifesting. There is not a standard process for this at present.</p> <p>Another Working Group member noted that charging is impacted by the CP.</p> <p>It was suggested that if you have a customer overusing capacity then this is taking up spare capacity that could be offered at less upfront cost and potentially avoiding re-reinforcement costs for other customers.</p>

	<p>and</p> <ul style="list-style-type: none"> • The second is that consumers “free load”; i.e. utilise additional capacity for which they have not contracted for nor for which they do not pay charges for, either through use of system charges, or ,for a new connection an inappropriate apportionment of connection costs in respect of shared assets. <p>3. The first of these is covered by the Electricity Act and the ESQCRs:</p> <ol style="list-style-type: none"> a. Schedule 6 (paragraph 6) of the Act any person who intentionally or culpable negligence damages or allows to be damaged distribution assets is guilty of an offence. Where such offence has been committed the distributor may disconnect the premises. Where such damage occurs the distributor could recover the costs of such damage (through the courts if necessary). b. Regulation 26 of the ESQCRs sets out the remedies where the connection of a consumer’s installation results in “...<i>danger or interference with his or any other distributor’s network, or with the supply to any consumer’s installation or street electrical fixture...</i>”. <p>As such we don’t think the proposed DCP is required to facilitate remedies where there is a safety or interference issue.</p> <p>4. Therefore we conclude that the principal intent of the DCP is to address charging issues. However, we are concerned at what the drafting sets out</p>	
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	<p>a. Clause 12.4 sets out the steps to be followed “on each occasion” the customer breaches the MIC/MEC. As drafted Clause 12.4.3 acknowledges there can be multiple breaches. However, so long as the customer takes the action prescribed in Clause 12.4.3 there is no need for the customer to do anything else.</p> <p>b. Clause 12.5 states “<i>If the Customer fails to act in accordance with Clause 12.4 or following repeated breaches of Clause 12.3...</i>” (emphasis added). However, given that paragraph 12.4 appears to allow for breaches on more than one occasion, provided the customer has complied with Clause 12.4.3 we are not sure what additional rights the distributor has under Clause 12.5 for repeated breaches of Clause 12.3. If the intent of Clause 12.5 is to allow the prescribed actions to be enacted for repeated breaches (irrespective of whether the customer has complied with Clause 12.4.3) then clause 12.5 should be redrafted.</p> <p>c. Whilst we support the principle of Clause 12.5.1 we think further work is required:</p> <ul style="list-style-type: none"> • Connection charging methodologies are dynamic and may change. It is the connection charging methodology that was in force when the connection was made (and when the original connection charge was calculated) that should apply. • The retrospective charging of connection charges should be time limited and not open 	
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	<p>ended – should there be a sliding scale based on the elapsed time between the date the connection was provided and the breach occurred?</p> <ul style="list-style-type: none"> • Clarity is required on how connection charges will be recalculated (presumably only in respect of apportioned costs) <p>d. We do not support Clause 12.5.2:</p> <ul style="list-style-type: none"> • The national terms of connection apply in respect of a connection provided pursuant to S16 to S21. We acknowledge that the distributor is entitled to install additional equipment to limit capacity. However, we do not think a distributor has the vires to impose the charges for such work on the customer where the customer has not requested it; i.e. a request has not been made under S16. • We think the customer can only be charged where the customer makes the modification request. One option would be for capacity charges to be increased on an enduring basis (min 12 months) unless and to the extent the customer agrees to pay for load limiting equipment to be installed. 	
Southern Electric Power Distribution plc	<p>In Clause 12.4, should the text say 'serve' rather than 'service' in the third line?</p> <p>At the end of both Clauses 12.7.1 and 12.7.2, should there be the word 'or'?</p>	<p>The Working Group agreed that the legal text should be amended in line with the suggestions made by the consultation respondent. Action ElectraLink</p>

and Scottish Hydro Electric Power Distributi on plc	<p>In Clause 12.7.7 (third line), it says 'be the Authority' rather than 'by the Authority'.</p> <p>In Clause 12.8 (second line), we believe the reference should be to Clause 12.7.7 rather than 12.7.8.</p>	
UK Power Networks	No	Noted
Wessex Water	The address for serving notice should be the registered company address. In our experience correspondence from suppliers/DNO may be sent to the site address. As some of our sites are unmanned this would likely mean we fail to respond within the proposed 30 notice period.	<p>It was noted that it is a case of using judgement. In compliance with the law section 17.3A of the Electricity Act states where notice should be served.</p> <p>Within the National Terms of Connection (Clause 23) this area is also covered.</p>
Npower	Yes. 12.7.8 is missing or more likely 12.8 should reference 12.7.7 instead.	Identified above.
Northern Powergri d	<p>Should the end of paragraphs 12.7.1 and 12.7.2 have the word "or" inserted to indicate that either outcome can initiate the Company action(s) stated in 12.7.5 to 12.7.7?</p> <p>Clause 12.8 refers to "additional equipment in accordance with Clause 12.7.8". Should this refer to Clause 12.7.7?</p>	Identified above.
WPD	No	Noted
Major	We still think that 30 working days is still too short a notice period	The Working Group noted that this area had been discussed previously and as a

Energy Users Council (MEUC)	<p>to get:</p> <ol style="list-style-type: none"> 1) Paperwork passed to the right location / person 2) Appropriate manager to identify and talk to all involved stakeholders 3) Perhaps organise an engineering investigation if equipment has malfunctioned 4) Agree a need and write back to the DNO. <p>Holidays and existing business commitments will make achieving the whole process within 30 working days very difficult.</p> <p>If these commitments are all upon the customer, there needs to be some commitments from the DNOs to deal with correspondence equally promptly.</p>	consequence the legal drafting was updated to say that the customer can come back with an alternative timeline.
SP Distribution / SP Manweb	We are supportive of the proposed legal text.	Noted

Company	3. Are there any alternative solutions or matters that should be considered for DCP 114?	Working Group comments
Electricity North West	No	Noted
GTC	1. Where the MIC and MEC are exceeded (and there are no system/safety/interference concerns) we believe the	The Working Group noted that this area is outside of the scope of DCP 114 and is already covered within the Charging statements. These state that if you

	<p>appropriate mechanism is through the application of use of system capacity charges.</p> <ol style="list-style-type: none"> We do not support the levying of excess capacity charges since these appear to have a penal element. However we are supportive that such capacity charges should apply for a minimum 12 month period. This would ensure equitable treatment across all customers. We acknowledge that how capacity charges are levied is subject to the use of system methodology. Therefore such changes may be outside the scope of this DCP. Notwithstanding this, we think it is in scope of the DCP for the connection terms to set out that the maximum demand raised at the time of the breach of the MIC or MEC will be the value used in calculating capacity charges under the distributor's use of system charging methodology. 	<p>exceed your capacity then excess capacity charges will be applied.</p> <p>It was observed that the DCP 161 Working Group had dismissed the option of applying charges for a 12 month period.</p> <p>With regards to point C, the Working Group noted that DCP 114 is related to the NTCs whilst use of system charges are a separate matter. If the basis on which charges are levied were brought into the NTCs, then each time the charging methodology is amended there would be a need to review the NTCs.</p> <p>The Working Group noted that it would not be true to state that the value at the time of the breach would be used in calculating capacity charges. This is because the customer may then go on to breach by a higher amount which would then be used in the calculation. The customer would be notified that they were in breach at the point of the first breach but may have a higher breach after the first notification.</p>
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Not that we are aware of.	Noted

UK Power Networks	<p>No. Either a customer complies with their requested and agreed requirements, modifies or varies those contracted requirements, modifies their behaviour so as to comply or otherwise must be treated as in breach of their obligations. The electricity distributor must be able to hold customers to account for breach of contract and especially so where this impacts on either the distributors system , on other customers or on the ability of other customers to get connected or obtain increased capacity that otherwise might not require those other customers to have any reinforcement of the distributor's system to pay for. In that sense a customer who is breaching their terms of use, their agreed capacity and is taking no action and can have no effective action taken against them , could be considered to discriminate against other customers and potential customers. The wording is effective in further clarifying the electricity distributor's pre-existing statutory rights and is therefore not an expansion of the electricity distributor's rights but a clearer commercial representation of them for the customer's benefit.</p>	Noted
Wessex Water	<p>Innovative technical solutions could be considered. For instance, where the issue is compliance with P2/6 as a result of customers' over utilisation of a network, potential solutions could include:</p> <ul style="list-style-type: none"> Restricting the customer's supply agreement so that they are allowed to continue to over utilise the network provided the ratings of plant and circuits are not exceeded and the customer accepts load shedding or an interruption in supply should network conditions necessitate this. 	<p>Working Group members noted that legally the maximum capacity is that which has been agreed with the customer. Any customer usage that exceeds this and impacts on other network uses could potentially leave the customer liable for issues that this may cause.</p> <p>Any curtailments that the DNO applies has to be downwards from the maximum capacity. The DNO cannot legally have a concept of adding available capacity on to the agreed amount, i.e. the agreed capacity can only be reduced downwards not upwards.</p> <p>It was noted that the purpose of the CP is to address the situation where there is no dialogue with the customer where the DNO has tried to engage with</p>

	<ul style="list-style-type: none"> • Using the DG (such as standby diesel sets) of customers who are over utilising their supply capacity to reduce their load to bring them within their agreed supply capacity where this becomes necessary due to abnormal network running conditions. • Using the DG (such as standby diesel sets) of customers who may not themselves be over utilising their agreed network capacity but are connected to the same network as those that are. This would be at times where abnormal network running conditions necessitated this. <p>All the above could require changes to P2/6, which could be addressed in the next release, i.e. P2/7.</p>	<p>them. This does not prevent innovative solutions from being considered.</p> <p>The group discussed amending 12.5.1 and concluded that the current drafting was sufficient.</p> <p>With regards to DG, it was noted that the customer can take actions to reduce capacity so that they can continue to comply with their MIC. The consultation respondent is suggesting that they could start up their DG where there is a network fault elsewhere. This could be done under a bespoke network agreement.</p> <p>It was asked whether the NTC links to specific bilateral agreements that state that bilateral agreements over-rides certain terms. In response, it was noted that the NTC state that anyone can enter in to a separate agreement. Section 1F says that existing terms and conditions will apply in circumstances where the existing terms and the NTCs are inconsistent.</p> <p>The Working Group agreed to amend legal text Clause 12.5 to add an additional sub-clause saying that the customer may propose an alternative agreement pursuant to Clause 22. 2. Action ElectraLink</p> <p>It was flagged that the upper highest capacity is the maximum import and maximum export capacity, this is the maximum to be delivered to the premises. Any flexibility that might be needed to let the customer occasionally use up to that level will mean curtailment for the rest of the time.</p> <p>A Working Group member cautioned that this would result in the customer paying for the full maximum capacity amount in the charging methodologies for capacity that would for the majority of the time not be used.</p> <p>Working Group members differed in their views as to whether you can agree with a customer that they will take say 100KV_a and that is what they will be charged upon but during certain other circumstances they may take 120KV_a. It</p>
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		<p>was questioned what the MIC would be in such circumstances.</p> <p>It was noted that the MIC is defined as the highest value that may be used. For charging purposes the value used may be the one that you come down to. Both the NTC and Charging Methodology use the term MIC.</p>
Npower	No	Noted
Northern Powergrid	No	Noted
WPD	No	Noted
Major Energy Users Council (MEUC)	No	Noted
SP Distribution / SP Manweb	None. We consider the working group has developed an appropriate solution for DCP114 supported through effective consultation.	Noted

Company	4. Are you supportive of the proposed implementation date of the first release after Authority approval for DCP 114? If not, please provide your rationale.	Working Group Comments
Electricity	Yes	Noted

North West		
GTC	We do not support the DCP in its current form and therefore cannot support the implementation date	Noted
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Yes.	Noted
UK Power Networks	Yes	Noted
Wessex Water	No comments.	Noted
Npower	Yes	Noted
Northern Powergrid	Yes	Noted
WPD	Yes	Noted

Major Energy Users Council (MEUC)	We are broadly in agreement of the concept, but the detailed execution must not penalise or unduly burden the customer.	Noted
SP Distribution / SP Manweb	Yes.	Noted

Company	5. Are there any unintended consequences of DCP 114?	Working Group Comments
Electricity North West	None based on the information provided.	Noted
GTC	We think the proposed drafting is out of scope of s16 to S21 of the Act	The Working Group noted that the CP seeks to describe a process that sits outside of the Act. ElectraLink took an action to ask GTC why they believe that the drafting is not compliant with the act. Action ElectraLink
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution	Not that we are aware of.	Noted

on plc		
UK Power Networks	No	Noted
Wessex Water	<p>Wessex Water is a water and sewage utility as such a portion of our consumption is affected by the weather. Some of our assets will be designed to take into account 1 in 20 year storm events and the import supply capacity will be set accordingly. However, where the weather conditions are more extreme than has been anticipated, and hence our electricity demand is greater than could reasonably have been foreseen, we would hope that this would be seen as a “force majeure” and for us not to be penalised. This is especially the case if the effect of exceeding agreed import capacity had an effect on P2/6 compliance but not on exceeding plant ratings, and the effect of restricting supply could have environmental pollution or public health consequences.</p>	<p>The Working Group noted that pumping stations are sized in accordance with the ratings of the motors. If they are sitting idle then there will be low utilisation but the capacity value will still be based on the size of the motors.</p> <p>In the event that they have a force majeure circumstance they will receive a letter from the DNO informing them that they have exceeded their capacity. Upon receiving this letter they could respond back saying that it was a force majeure event and they do not expect to exceed their capacity again.</p>
Npower	None that we are aware of.	Noted
Northern Powergrid	No	Noted
WPD	None that we are aware of	Noted
Major Energy Users Council (MEUC)	<p>Yes – in the timescales provided, otherwise compliant companies may be penalised, even if the excess consumption is due to a faulty piece of equipment the energy manager doesn’t know about / hasn’t been told about. A longer period in which to resolve an unintended situation would be a more sensible position.</p>	It was noted that comments on the timescales were discussed earlier.

SP Distributi on / SP Manweb	None. We are satisfied that the working group has effectively considered the consequences of DCP114 through extensive review and industry consultation.	Noted
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Company	6. Please state any other comments or views on DCP 114.	Working Group Comments
Electricity North West	We have no further comments	Noted
GTC	<p>1. Notwithstanding the above, there may be limited occasions where a customer may wish to exceed capacity under limited prescribed circumstances, and where the distributor could accommodate these at certain “off peak” times. Developing a tariff that has reduced capacity charges where the capacity is utilised during off peak periods would appear to have merits:</p> <ul style="list-style-type: none"> a. It potentially meets customer needs; and b. Is supportive of the development of smart grids and demand side response. <p>It is acknowledged that this is a concept that was applied by some distributors in the past.</p>	The Working Group noted that this would be a change to the Charging Methodologies and is outside of the scope of DCP 114.
Southern Electric Power Distributi on plc and	N/A	Noted

Scottish Hydro Electric Power Distribution plc		
UK Power Networks	We consider that the agreed capacity forms an integral part of the terms offered under s16 and s16A of the Electricity Act, with the basis of a connection, the terms of use of a connection having no real meaning without the agreed import or export capacities being integral to the holistic terms agreed by the customer to secure a connection with customer required characteristics.	Noted
Wessex Water	No comments.	Noted
Npower	The revised process makes provisions should the consumer disagree or wish to challenge the DNO position on the matter of over utilisation. We would expect the DNO to make consumers aware of all options available to them as part of the correspondence when undertaking this activity (rather than expecting the consumer to already know or to research it themselves).	<p>It was further explained by the respondent that there are more options for the customer than there used to be, however, many customers may not understand what options they have. Customers may make the wrong choice if they do not have all of the information.</p> <p>It was noted that were a customer breaches their capacity, under DCP 114 the DNO must tell the customer of what options they have.</p>
Northern Powergrid	None	Noted
WPD	None	Noted

Major Energy Users Council (MEUC)	None	Noted
SP Distribution / SP Manweb	None	Noted