

DCUSA DCP 115 Consultation responses – Collated Comments

Company	1. Do you consider that DCP 115 (NTC Amendments - Capacity Management (Under 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 have the capacity and do not need 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 the LC14.21 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	No. We understand the intent but believe the drafting is flawed. Our comments are provided to Q2	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 need to make spare DNO network capacity available to customers who will use it, and to discourage speculative take-up of network capacity that could prevent others from using this. However, some safeguards are necessary which are outlined 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
Franck Latrémolière	<p>No.</p> <p>This change would not better enable distributors to fulfill their duty to develop and maintain efficient, co-ordinated and economical distribution networks, because efficiency and economy in that duty should be seen as being subject to meeting customers' requirements for capacity, irrespective of whether that capacity was used in the recent past, and irrespective of whether the distributor can understand why that capacity is required.</p> <p>There is no duty on distributors to "ensure the optimum utilisation and allocation of capacity".</p> <p>Whilst a right for distributors to disconnect disused connection points might be important, the change does not appear to make any difference to these rights as these are in any event</p>	<p>It was noted that the respondent does not believe that Objective 1 is better facilitated by the CP.</p> <p>A Working Group member highlighted that by checking with customers whether they require their capacity, there is a proactive approach to managing the network. This may mean that future customers receive a lower cost service. Without this CP significant over utilisation could result in costs to end users.</p> <p>It is in the interests of customers and Distributors to check whether the contractual capacity values are required.</p> <p>Another Working Group member noted that Section 3A of the electricity Act requires the Distributor to promote efficient use of the system. In addition, the Objective of the DCUSA is to maintain efficient, co-ordinated and economical distribution networks.</p> <p>The respondent suggested that an economical distribution system delivers to</p>

	governed by section 17 of the Act.	<p>the customer what they want. It is not part of this to challenge what the customer has contracted for.</p> <p>In response, it was highlighted that the CP is not challenging this, just checking with the customer that they still want it.</p>
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Company	2. Do you have any comments on the proposed legal text for DCP 115?	Working Group Comments
Electricity North West	<p>Clause 12.8 – the and/or statement. We think it should be ‘or’. We believe that it is going to be either a variation or a modification offer but not both.</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>Determination of disputes.</p> <p>23.—(1) Any dispute arising under sections 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 arbiter, appointed by him;</p> <p>and the practice and procedure to be followed in such determination shall be such as the appropriate.</p> <p>Clause 19.5.1 – we would prefer the new text contained within 19.5.1 be considered as a separate sub clause in its own right and the existing text (De-energisation/Disconnection) becoming 19.5.2 with the other two sub clauses being renumbered as 19.5.3 and 19.5.4 respectively.</p> <p>Clause 21.1 – we would prefer the exact cross reference to be included i.e. 12.9 rather than refer to clause 12. This then</p>	<p>The Working Group agreed that the legal text should be amended in line with the suggestions made by the consultation respondent.</p> <p>With regards to Clause 19.5.1 it was agreed that it should be changed to read as follows (and the existing 19.5.2 and 19.5.3 should be renumbered)</p> <p><i>“19.5.1 the Customer’s right to be Connected (and the Customer’s right to the Maximum Import Capacity and/or Maximum Export Capacity) shall end, and;</i></p> <p><i>19.5.2 the Company may De-energise and/or Disconnect the Connection Point; and”</i></p> <p>Action ElectraLink</p>

	follows the rest of the text whereby other cross reference clauses are specific to individual clauses.	
GTC	<p>1. Clause 12.6 is flawed:</p> <ul style="list-style-type: none"> a. It gives the distributor the right to terminate this agreement. It is not clear how this can be done since so long as there is a registered metering point, there will be a registered supplier and the national terms of connection will apply. b. The only way the agreement can be “terminated” is if the site is disconnected (i.e. “deregistered” under the terms of DCUSA. Clause 25.15 to 25.20 set out the provisions for disconnection. In particular 25.18 sets out the process the distributor must follow to disconnect such a site. However it can only do this where there is no “<i>reasonably foreseeable future use</i>”. c. In addition S16 of the Electricity Act places an obligation on a distributor to provide a connection on request. S16(4) of the Act goes on to say <i>“In this section and sections 16A to 23—</i> <i>(a) any reference to making a connection includes a reference to maintaining the connection (and continuing to provide the necessary electric lines or electrical plant);</i> <i>(b) any reference to requiring a connection includes a reference to requiring the connection to be maintained (and the continued provision of the necessary electric</i> 	<p>The working group noted that with regards to Clause 12.6 this is not the case. The disconnection follows the termination. The CP and the Act cover the points raised.</p> <p>With regards to Clause 12.7, it was noted that the reference is on a previous draft. It may be the case that their comments on 12.6 have not recognised additional text that has been added in.</p> <p>ElectraLink took an action to send GTC the latest version of the legal text and ask them to resubmit their comments based on this latest text. Action</p>

	<p><i>lines and electrical plant);”</i></p> <p>d. Whilst S17(1)(c) states:</p> <p><i>“[Nothing in section 16(1) requires an electricity distributor to make a connection if and to the extent that...] it is not reasonable in all the circumstances for him to be required to do so”</i></p> <p>it is not clear to what extent this permits disconnection in the circumstances described in the DCP.</p> <p>2. Clause 12.7 appears flawed:</p> <p>a. As with Para 1.above, it is not clear as to the vires the distributor has to reduce the MIC or MEC. This appears inconsistent with the S16 to S21 of the Electricity Act where the distributor has a duty to maintain the connection</p> <p>It may be legitimate to set a minimum MIC or MEC or different types of connection (e.g. HV/LV) and in order to reduce charges a customer may seek to modify the connection apparatus or reduce capacity. However, we would need further evidence to show that the drafting proposed by this DCP satisfy relevant legislation and licence conditions</p>	
Southern Electric Power Distributi on plc	<p>In the DCP114 text, the words ‘at any time’ have been added to the end of the first sentence of Clause 12.3. Should this not also be added to 12.3 under DCP115 for consistency of approach?</p> <p>In Clause 12.8.2 the word ‘of’ should be replaced by ‘or’.</p>	<p>With regards to Clause 12.3 - the Working Group noted that DCP 114 and DCP 115 are being treated in isolation and that the wording suggested by the respondent is relevant for DCP 114 only.</p> <p>12.8.2 – was noted earlier</p>

and Scottish Hydro Electric Power Distributi on plc	In the first line of Clause 12.9, the word 'party' should be 'Party'.	12.9 – ElectraLink took an action to update the legal text accordingly (and check if the DCP 114 legal text requires "Party" to be updated too). Action ElectraLink
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 could mean we fail to respond within the proposed 30 notice period.	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. Within the National Terms of Connection (Clause 23) this area is also covered.
Npower	No	Noted
Northern Powergrid	No	Noted
WPD	No	Noted
Major Energy Users Council (MEUC)	30 days as a notice period is too short a period in which to establish whether utilisation under expectation has a reason. In a larger organisation, it can take time to get to a position where a response can be provided. This includes: 1) Paperwork passed to the right location / person	The Working Group noted that this area had been discussed previously and as a consequence the legal drafting was updated to say that the customer can come back with an alternative timeline.

	<p>2) Appropriate manager to identify and talk to all involved stakeholders</p> <p>3) Perhaps organise an engineering investigation if equipment has malfunctioned</p> <p>4) Agree a need and write back to the DNO.</p> <p>Holidays and existing business commitments will make achieving the whole process within 30 working days very difficult.</p>	
SP Distributi on / SP Manweb	We are supportive of the proposed legal text.	Noted
Franck Latrémo lière	The proposed paragraph 12.8 is not needed.	<p>The respondent further explained that this paragraph does not introduce any new obligations and could be removed without anything being lost from the CP.</p> <p>In response, a Working Group member highlighted that the legal text provides clarity and should not be removed.</p> <p>The respondent noted that they did not believe that the text is sufficiently clear to provide clarity.</p> <p>The Working Group agreed to amend Clause 12.8 to end with <i>“For the avoidance of doubt, neither the variation under 12.8.1 or the modification under 12.8.2 are binding unless otherwise agreed by the customer or directed by the Authority”</i>.</p> <p>Action ElectraLink</p>

Company	3. Are there any alternative solutions or matters that should be considered for DCP 115?	Working Group comments
Electricity North West	No	Noted
GTC	It may be legitimate to set a minimum MIC or MEC or different types of connection (e.g. HV/LV) and in order to reduce charges a customer may seek to modify the connection apparatus or reduce capacity. Under the CDCM capacity Charges cover in part the cost for the ongoing provision of the shallower assets	The Working Group noted that this was outside of the scope of DCP 115.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Not that we are aware of.	Noted
UK Power Networks	No. The proactive representations by the electricity distributor to the customer rely on the customer choosing to accept a proposal made by the electricity distributor. This approach therefore leaves the customer's statutory protection of its rights (including capacity) fully intact until the	Noted

	customer agrees a change or otherwise the customer or the electricity distributor lawfully terminates the connection pursuant to s17 of the Electricity Act. 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.	
Wessex Water	No comments.	Noted
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 DCP115 supported through effective consultation.	Noted
Franck Latrémoli	The proposed paragraph 12.8 is not needed.	It was noted that the point on 12.8 was discussed earlier in the consultation

ère	There might be a case for applying cost-reflective charges on generators who want unused export capacity to be maintained — currently, in most cases, generators (contrary to demand) bear minimal or zero export capacity charges. But this would fall outside the scope of DCP 115.	responses.
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Company	4. Are you supportive of the proposed implementation date of the first release after Authority approval for DCP 115? If not, please provide your rationale.	Working Group Comments
Electricity North West	Yes.	Noted
GTC	We cannot support the date given the flaws in the DCP	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)	In principal yes, but there are numerous situations where keeping a capacity considerably in excess of everyday use is essential and DNOs must recognise and co-operate with such situations when they come across them.	It was noted that this reinforces the need for the new avoidance of doubt clause. The group observed that there is a degree of pragmatism that DNOs will adopt in circumstances where they know there is a level of capacity that will not be used for a period of time.
SP Distribution / SP Manweb	Yes	Noted
Franck Latrémolière	No comment.	Noted

Company	5. Are there any unintended consequences of DCP 115?	Working Group comments
Electricity	None that we are aware of.	Noted

North West		
GTC	n/a	Noted
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Not that we are aware of.	Noted
UK Power Networks	No	Noted
Wessex Water	<p>Due to the nature of our business as a water and sewage utility, many of our sites are built to allow for growth in demand over years or even decades. For a sewage treatment works the increase in demand may arise due to new housing developments planned for future construction. We may look to secure the capacity that would cover the future demand for water and sewerage services. In these circumstances we would not expect to have to annually reply to correspondence from the DNO in order to keep this capacity.</p> <p>We have embedded generation on a number of our sites and as such our import supply capacities are set at a level that</p>	It was observed that this comment is useful for DNOs and there may be many sites where it is not appropriate to send an annual letter.

	<p>takes into account scenarios where the generation is unavailable and all power is provided through the import supply. This could easily give rise to situations where the site appears to be using less than 75% of the agreed import capacity but that capacity is required to provide contingency in case the on-site generation is unavailable. We would not expect to have to annually reply to correspondence from the DNO in order to keep this capacity. Similar protection would have to be afforded to standby supplies.</p> <p>As a water and sewage utility, 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. Again this may lead to scenarios where the site consumes less than 75% of the agreed import capacity for long periods. We would not expect to have to annually reply to correspondence from the DNO in order to keep this capacity.</p> <p>Such annual replies responding to an unchanging situation would be wasteful in time and cost to both the DNO and also the customer.</p>	
Npower	None that we are aware of.	Noted
Northern Powergrid	No	Noted
WPD	None that we are aware of	Noted
Major	Customer may be reluctant to invest ahead of need, which would	The group noted that nothing will be taken away from customers through the

Energy Users Council (MEUC)	be easier at the outset for them AND the DNO. They may be very reluctant to invest if there's a risk that paid-for infrastructure could be put beyond their use. Instead they may feel the only way is to upgrade on a piecemeal basis as a business grows, despite the upheaval caused to them and potentially a community.	processes introduced by DCP 115. Any reduction in MIC or MEC can only be done with the express authorisation of the customer.
SP Distribution / SP Manweb	None. We are satisfied that the working group has effectively considered the consequences of DCP115 through extensive review and industry consultation.	Noted
Franck Latrémolière	There is a risk that some customers reading the legal text would feel oppressed because they are not certain that a clause 12.8 proposal from the distributor would have no effect unless accepted	Noted

Company	6. Please state any other comments or views on DCP 115.	Working Group Comments
Electricity North West	No further comments	Noted
GTC	Unless and until the working group has provided relevant robust evidence to show that the proposed DCP is fully compliant with the Act we are unable to support it	It was noted that the rationale for this may be provided when GTC are asked to provide a revised response based on the latest version of the legal text.
Southern Electric Power Distribution plc	N/A	Noted

and Scottish Hydro Electric Power Distributi on 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 the customer required characteristics.	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 could mean we fail to respond within the proposed 30 notice period.	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. Within the National Terms of Connection (Clause 23) this area is also covered.
Npower	For under-utilisation where the connection is de-energised (12.6-8) we understand this to be a formalisation of existing powers (Electricity act, section 17) within the DCUSA as a new process. We note that it will still largely be up to individual DNOs in how they interpret the relevant sections of the electricity act for any given scenario. For under-utilisation where the connection is energised (12.8 onwards). The revised process is clear that no capacity will be reduced without the explicit consent of the consumer. We would expect the DNO to make consumers aware of this	It was noted that the working group has agreed to add additional text to 12.8 to make it clearer

	important fact as part of the correspondence when undertaking this activity.	
Northern Powergrid	None	Noted
WPD	None	Noted
Major Energy Users Council (MEUC)	None	Noted
SP Distribution / SP Manweb	None	Noted
Franck Latrémolière	No comment.	Noted