

DCUSA CHANGE REPORT	
CHANGE PROPOSAL	Distribution Standard Licence Condition 36, 36A & 36C review
DATE OF ISSUE	25 March 2008
ISSUED TO	DCUSA Contract Managers Ofgem
PARTIES ENTITLED TO VOTE	All Supplier and Distributor Parties
RETURN DEADLINE (Voting End Date)	08 April 2008 – DCUSA@electralink.co.uk

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA. The Change Report details DCP 011 - Distribution Standard Licence Condition 36, 36A & 36C review. The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.
- 1.2 Parties are invited to consider the proposed amendment attached as Appendix A and submit votes using the form attached as Appendix F to dcusa@electralink.co.uk by 08 April 2008.

2 BACKGROUND

- 2.1 DCP 011 was raised by Electricity North West Limited on 02 November 2007. The CP was considered by the DCUSA Panel at its meeting on 21 November 2007. The Panel determined that the CP was a non-urgent Part One change that should be progressed through the Definition Procedure.
- 2.2 The DCUSA Panel established a Working Group to consider the Change Proposal. The Working Group failed to achieve a quorum and the CP was returned to the Panel for consideration on 16 January 2008.
- 2.3 The DCUSA Panel determined that the Change Proposal should be issued for Consultation and that the Panel members would form the Working Group for the CP along with any interested Parties.
- 2.4 The Working Group met on 20 February 2008 to consider the DCP 011 consultation responses and to evaluate the CP against the applicable DCUSA Objectives.¹
- 2.5 The content of this Change Report was approved by the Panel on 19 March 2008.

3 SUMMARY OF DCP 011

Raising Party	Electricity North West Limited
CP Status	Standard (non urgent)
Change Synopsis	<p>SLC36, 36A & 36C of the Distribution Licence have been amended due to metering competition. A distributor is no longer required to offer basic metering services with effect from the 1st April 2007. The DCUSA documentation needs to reflect such a change.</p> <p>This change proposal provides for:</p> <ul style="list-style-type: none"> an amendment to the definition of the Relevant Charging Statement

¹ The papers and minutes of all Working group meetings are available on the DCUSA Website – www.dcusa.co.uk

	<ul style="list-style-type: none">• an amendment to the definition of Meter Operator, and• consequential changes due to these definitions being amended.
Parties Impacted	DNOs, IDNOs and Suppliers
Part 1 / Part 2	Part 1
Authority Consent	Required
Proposed Implementation	26 June 2008

4 DCP 011 WORKING GROUP

4.1 The DCP 011 Working Group comprised the following members:

- John Lawton – Electricity North West Limited
- Peter Waymont – EDF Energy Networks
- Glenn Sheern – E.ON UK
- Carl Wilkes – RWE Npower
- Craig Neil – SSE Distribution

4.2 The Working Group met on 20 February 2008 to review the CP and consider Party responses to the Consultation issued by the Panel. The Working Group noted that DCP 011 was raised following the agreement of the Distributor SLC 36 changes in April 2007. Members recognised that SLC36, 36A & 36C of the Distribution Licence have been amended due to metering competition and that Distributors are no longer required to offer basic metering services with effect from the 1st April 2007.

5 DCP 011 CONSULTATION

5.1 The DCP 011 Consultation was issued to all DCUSA Contract Managers on for a period of 10 Working Days and 8 responses were received. The consultation responses are attached as Appendix D.

5.2 Question 1 - Does the proposed CP better facilitate the DCUSA Objectives? The Working Group noted that the majority of respondents considered that the CP better facilitates the following two DCUSA objectives:

- 3.1.2 - the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity; and
- 3.1.3 - the efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences.

5.3 Question 2 - Are there any other alternative solutions you would like to be considered by the DCP 011 Working Group? The Working Group noted that Scottish and Southern Energy Distribution, Western Power Distribution and RWE Npower had highlighted that the definition of 'Legacy Basic Metering Asset Provision' should reference LC36 paragraph 3, rather than paragraph 2. The Working Group agreed with the recommendation and agreed to update the drafting accordingly.

5.4 Question 3 - Do you consider the definition of 'Meter Operator' to be sufficient? The Working Group noted that RWE Npower and Western Power Distribution had indicated that the BSC refers to Meter Operator Agents and recommended that the DCUSA should be aligned with the BSC. The Working Group agreed that all references to Meter Operator in the DCUSA should be changed to Meter Operator Agent.

- 5.5 Question 4 - Please indicate if you expect to incur any costs to support the CP: The Working Group noted that no Parties had indicated that they would incur any costs to support the CP.
- 5.6 Question 5 - Do you support the proposed implementation date of 26 June 2008? The Working Group noted that all respondents supported the proposed implementation date.
- 5.7 Question 6 - Please state any other comments or views on the Change Proposal: The Working Group noted that RWE Npower had indicated that the defined term in the BSC is "Metering Equipment" not "Meter Equipment". However, the decision to delete the term 'Meter Operator' (of which part of the definition contained 'Metering Equipment') meant that this definition was no longer required.

6 WORKING GROUP CONCLUSIONS

- 6.1 The Working Group noted that all of the responding Parties were supportive of the proposed change solution and implementation date and that no Party expected to incur any costs in implementing the change.
- 6.2 The Working Group confirmed that it supported the view of the majority of respondents and considered that the CP better facilitates the following two DCUSA objectives:
- 3.1.2 - the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity; and
 - 3.1.3 - the efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences.
- 6.3 The Working Group agreed to amend the drafting to reflect the comments raised by Parties during the consultation. The Working Group further agreed that Clause 18.2.2 be updated to remove references to Qualification as use of the term Meter Operator Agent, as defined in the BSC, will mean that the appointed MOA must be Qualified Agent. Members further agreed that the following definitions could therefore be removed from the drafting: Qualification, Qualification Authority, Meter Equipment and Meter Operator. The Working Group agreed to amend the definition of Data Collector and Meter Administrator to reference the BSC.
- 6.4 ENW confirmed that it was supportive of the proposed amendments and the group agreed that it did not wish to put forward an alternative solution.

7 PROPOSED AMENDMENT AND LEGAL DRAFTING

- 7.1 The proposed amendment to the DCUSA in support of DCP 011 has been drafted by Wragge and Co as directed by the Working Group. The legal view with regard to Clause 18.2.2 and the term 'Qualification' (Paragraph 6.3 above) was to retain such a requirement. Wragge and Co's review of the BSC was that it was not immediately apparent that Qualification would be

the case and this view was accepted by the group. The legal drafting also makes an amendment to the event log which impacts only one row of the table. The Legal Drafting is attached as Appendix E.

8 TIMETABLE

8.1 In accordance with Clause 12.4 of the DCUSA the Panel has determined a 10 Working Day voting period.

8.2 The timetable for the progression of the Change Proposal is set out below:

Date	Activity	Purpose	Responsibility
25 March	Change Report Issued	Change Report issued to all Parties for 10 WD	Secretariat
08 April	Voting End Date	Last date for submission of votes	Parties
09 April	Change Declaration	Outcome of voting published to Parties and Authority	Secretariat
15 May	Authority Determination	Authority to accept / reject CP following recommendation from Parties	Ofgem
26 June	DCUSA Release	DCUSA updated to reflect CP drafting (if approved by Authority)	Secretariat

Appendices:

- A. DCP 011 - Distribution Standard Licence Condition 36, 36A & 36C review
- B. DCP 011 Working Group Terms of Reference
- C. DCP 011 Working Group Meeting Minutes
- D. DCP 011 Consultation Responses
- E. DCP 011 Legal Drafting
- F. DCP 011 - Voting Form