

DCUSA DCP 012 Consultation Responses – Collated Comments

Question One	Does the proposed CP better facilitate the DCUSA Objectives? Please state which objective(s) and give supporting comments.
CE Electric UK (NEDL & YEDL)	<p>With regard to all (3) of the objectives then, CE understands that with regard to:</p> <ul style="list-style-type: none"> • “3.1.1 the development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks”; <p>Then this fulfils this objective by creating a multilateral agreement for the payment of UoS;</p> <p>Also,</p> <ul style="list-style-type: none"> • “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”; <p>Then we believe this proposal better facilitates further competition in distribution by establishing an agreement that is likely to be easier to manage than high volumes of bi-lateral agreements i.e reduced contractual administration; and</p> <ul style="list-style-type: none"> • “3.1.3 the efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences” <p>Moving away from multiple bilateral agreement to a single multi-party mechanism will improve transparency and should create easier tracking of licence obligations and compliance therewith</p>
Central Networks East & Central Networks West	<p>This Change Proposal will bring transparency and consistency into the relationship between all IDNO's/DNO's via a set of core terms thus aiding the facilitation of effective competition in the generation and supply of electricity and will also provide for the development, maintenance and operation by both Parties of efficient, co-ordinated and economical Distribution Networks.</p>
EDF ENERGY CUSTOMERS PLC	Yes 1 and 3.

	<p>The CP better facilitates objective 1 as the creation of a common industry agreement which supercedes the current suite of bilateral contracts will support the development, maintenance and operation by both DNO and IDNO parties of their networks.</p> <p>The CP better facilitates objective 3 as this common agreement will support the efficient discharge by the IDNO's and DNO's parties of obligations imposed upon them in their Distribution Licences.</p>
EDF Energy Networks	The first objective can be met by standardising the bulk of the contractual arrangements and procedures as between the two parties.
Electricity North West Limited	<p>"3.1.1 the development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks";</p> <p>"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</p> <p>"3.1.3 the efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences".</p> <p>In line with the Working Group conclusions covering this topic.</p>
GTC (on behalf of ENC)	<p>Objectives 1,2 and 3 are better facilitated as per the original CP.</p> <ol style="list-style-type: none"> 1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks; 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; 3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
Independent Power	We support the proposed variation as although we do not feel that Section 2B represents the ideal

Networks Limited	<p>solution, it provides the base from which to develop the distributor-to-distributor contractual relationship. We believe that this version facilitates the following DCUSA Objectives better than the DNO alternative:</p> <p><i>"3.1.1 the development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks"</i> as the Company would be more likely to consider the impact that modifications to their network may have on any connected networks, encouraging the implementation of a least-cost solution;</p> <p><i>"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"</i> as in our opinion the variation apportions costs for modifications more reasonably than the DNO alternative. For example, in cases where the Company's network needs to be upgraded to allow a third party distributor to connect, resulting in a modification to the connection of a User, the Company has a commercial relationship with third party distributor and is better placed to recover the costs of the modification from them; and</p> <p><i>"3.1.4 the promotion of efficiency in the implementation and administration of this Agreement"</i> as agreeing a compromise between the parties is more efficient than circulating separate IDNO and DNO versions of Clause 52.9 for voting.</p>
SP Distribution / SP Manweb	<p>The change proposal better facilitates objectives:</p> <ol style="list-style-type: none"> 1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks; - this will be assisted by a transparent, contractual framework covering inter-distributor relationships. 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; as for 1. above. 3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences; as for 1. above 4. The promotion of efficiency in the implementation and administration of

	this Agreement. – as for 1. above.
Western Power Distribution South West & Western Power Distribution South Wales	<p>We believe the CP better facilitates the following objectives in section 3.1 of the DCUSA:</p> <p><i>“3.1.1 the development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks”</i> by clearly defining the roles and responsibilities of distributor parties with regard operation of Distributor networks, particularly at the interface and by agreeing principles for managing power factor, phase balance and maximum capacity.</p> <p><i>“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”</i> by creating a common industry agreement that offers an efficient and economic process for managing the contractual relationships between distributors for use of system.</p> <p><i>“3.1.3 the efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences”</i> by placing the terms for use of system and connection in the public domain increasing the transparency of the processes to industry participants and allowing distributors to administer them more efficiently. It will allow changes to be more easily negotiated using a prescribed process.</p>
Question Two	Are there any other alternative solutions you would like to be considered by the DCP 009 Working Group?
CE Electric UK (NEDL & YEDL)	None
Central Networks East & Central Networks West	None
EDF ENERGY CUSTOMERS PLC	No
EDF Energy Networks	See drafting comments.

Electricity North West Limited	<p>No.</p> <p>When you consider the work already undertaken by the Section 2B Working Group prior to this Change Proposal, it will be over twelve months in its preparation and consultation by the time it is approved and implemented within DCUSA. In my opinion it delivers a consensus position with the majority of impacted Parties being involved in the process. Any further issues that a Party member may have should result in the raising of a separate Change Proposal specific to that area.</p>
GTC (on behalf of ENC)	No
Independent Power Networks Limited	No
SP Distribution / SP Manweb	No
Western Power Distribution South West & Western Power Distribution South Wales	No
Question Three	Please indicate if you expect to incur any costs to support the CP (particularly where these are related to internal system changes)
CE Electric UK (NEDL & YEDL)	With regard to the 'alternative solution' as mentioned in section 41.2 the current DUoS billing systems as operated by CE Electric UK for both NEDL & YEDL conform to the required standards of the flow formats contained within the MRAs DTC to allow for correct calculation of DUoS invoices for both the NHH & HH markets. By introducing the alternative solution this could impact both systems that could result in system changes having to be incurred and therefore costs. The true value could not be quantified until the alternative solution is at a state where a full impact assessment can take place.
Central Networks East & Central Networks West	Central Networks expect to incur costs as a consequence of supporting this Change Proposal – such costs will be for the migration of IDNO data from the existing bi-lateral arrangements into the new contracts


EDF ENERGY CUSTOMERS PLC	No
EDF Energy Networks	We cannot identify any
Electricity North West Limited	The only impact will be associated with the additional work required to migrate the existing CUoSA's into the new BCA's.
GTC (on behalf of ENC)	None identified
Independent Power Networks Limited	The only direct costs that we expect to incur as a result of this change proposal are those associated with the transfer of existing CUOSAs.
SP Distribution / SP Manweb	No
Western Power Distribution South West & Western Power Distribution South Wales	We do not expect to incur any costs to support the CP.
Question Four	Do you support the proposed implementation date of 25 March 2008? (please state alternative if applicable)
CE Electric UK (NEDL & YEDL)	Yes. Given the length of time this piece of work has taken and the number of consultations and legal reviews it has gone through then CE sees no reason why this date for implementation cannot be met.
Central Networks East & Central Networks West	Yes
EDF ENERGY CUSTOMERS PLC	Yes
EDF Energy Networks	Yes

Electricity North West Limited	I accept that we need to deliver this outside of the normal implementation dates. I don't have an issue over the 25 th March, but I would have thought it sensible to deliver on the 1 st April seeing as the two dates are so close together and it is the start of a new year.
GTC (on behalf of ENC)	Yes
Independent Power Networks Limited	Yes
SP Distribution / SP Manweb	Yes
Western Power Distribution South West & Western Power Distribution South Wales	Yes
Question Five	Do you agree with the proposed assignment of Part One / Part Two matters?
CE Electric UK (NEDL & YEDL)	CE's proposal is that where appropriate, the equivalent 2B sections that mirror clause 9.5 should go in as a part 1 matter. The rest, to encourage self governance and lighter regulation, should be left as a part 2 matter.
Central Networks East & Central Networks West	Yes
EDF ENERGY CUSTOMERS PLC	Yes
EDF Energy Networks	Yes
Electricity North West Limited	Yes. The principle adopted is very much in line with those of Section 2A as well as those specific to a

	Distributor to Distributor relationship. They have been considered against Clause 9.4 which determines whether a Clause should have a Part 1 status.
GTC (on behalf of ENC)	Yes
Independent Power Networks Limited	Yes
SP Distribution / SP Manweb	Yes
Western Power Distribution South West & Western Power Distribution South Wales	Yes
Question 6	Transition – if the CP is implemented do you intend to migrate existing agreements to the DCUSA? If yes, in what time period? If not, why not?
CE Electric UK (NEDL & YEDL)	<p>CE proposed transition mechanism in order of priority;</p> <ol style="list-style-type: none"> 1. If both parties agree then leave current BCA in place until such time when a 'more natural opportunity' arises for the change to take place - CE preferred option. 2. A change only if either party requests a migration – CE would be comfortable with this. 3. Migrate all current BCA's across on go live - CE does not support this option as we believe this would create unnecessary work.
Central Networks East & Central Networks West	Yes, Currently there has been no consideration as to the likely timescales involved in migrating existing agreement, Central Networks believes that there are a number of options involved and each option will be considered on the basis of ease of task and its effectiveness
EDF ENERGY CUSTOMERS PLC	N/A
EDF Energy Networks	Our preference would be to migrate existing agreements over a period of one year. This is subject to the agreement of counter-parties.

Electricity North West Limited	<p>Yes.</p> <p>We believe that this would provide one common approach to all Connection Points. The likely timeframe can be between 6 – 12 months from the implementation date dependant upon internal and external support for such an initiative and the number of agreements with each distributor.</p>
GTC (on behalf of ENC)	Preferably - To be agreed with the specific DNOs
Independent Power Networks Limited	<p>Due to the volume of CUOSA agreements we currently have in place with different DNOs, we anticipate that any transition would be fairly time-consuming as there is a possibility that some contracts will need to be re-negotiated. We estimate that it could take up to a year to complete this exercise. It would also be a high-cost undertaking as senior staff would need to be involved in this piece of work.</p> <p>We recognise the advantages of transferring our existing CUOSA agreements to DCUSA, but we feel that it would be more efficient to wait until the outcome of the current discussions in the ENA working groups on boundary tariffs and the technical interface at the boundary is published before making a decision on migration. The outcome of the working groups may require modifications to be made to current CUOSAs, and we feel that it would be more cost-effective to look at transferring to DCUSA at this point.</p>
SP Distribution / SP Manweb	Yes. Transition to take place in timescales to be agreed between the parties to existing bilateral agreements.
Western Power Distribution South West & Western Power Distribution South Wales	Yes, we expect to migrate all existing agreements as soon as possible but, understanding that IDNO's may hold many agreements with a number of DNO's, we would allow a transition period of 6 months.
Question 7	Do you have any comments on the other drafting changes made since the previous consultation?
CE Electric UK (NEDL & YEDL)	No

Central Networks East & Central Networks West	None
EDF ENERGY CUSTOMERS PLC	No
EDF Energy Networks	<p>Clause 52.9 previously had square brackets and has since been altered.</p> <p>We believe that no payment should be made by the company to the user as a result of a modification by the company unless it is the result of a third-party connection and the company can recover the costs from that third party as part of the connection charge.</p> <p>This is because this is the industry norm – the owner of the asset pays for the costs of any works required on his assets, as seen in CUSC, existing large power connection agreements and existing connection agreements with inset networks.</p> <p>It is not the norm in electricity that the providing distributor should bear the cost of a modification's impact on others and this helps to keep the providing distributor's costs and hence prices down. To open that to debate may open it up to all other connectees and expose companies to increased cost.</p> <p>Objective one of DCUSA, regarding efficient co-ordinated and economic networks is therefore not met by the current drafting of this clause.</p> <p>We believe that the objective of this work under DCUSA should be to rationalise the volume of agreements between distributors with little change to the base content of those agreements, and certainly no change to fundamental industry-wide principles. This is how the supplier agreements were brought into section 2A of DCUSA and it should be how these agreements are brought in to section 2B.</p>
Electricity North West Limited	<p>Yes.</p> <p>There are some minor amendments to the Legal text that should have no impact on the meaning of the</p>

	 <p>ENW comments against 061207 docur</p> <p>Clauses concerned but are attached for consideration at the next meeting.</p>
GTC (on behalf of ENC)	No
Independent Power Networks Limited	No
SP Distribution / SP Manweb	<p>Schedule 2B</p> <p>Clause 39.5. Who are the Company's "invitees"?</p> <p>Clause 39.15 – We would appreciate an explanation of the circumstances this clause seeks to prevent.</p> <p>Clause 42.3 refers to the "accurate provision of that data". This seems to be self-contradictory as it relates to the provision of Alternative Data. The metered data and data from an alternative solution will not be identical.</p> <p>Also, it is unclear as to what degree of accuracy is required. Potential disputes may arise about the appropriate degree of accuracy required from an alternative solution. A requirement for a degree of accuracy, considered to be excessive, may lead to allegations of anti-competitive behaviour.</p> <p>Clauses 42.7 and 42.8. These clauses would be better located as part of Clause 39. In addition, in Clause 42.7, the obligation on the User should be absolute, i.e. "the User shall ensure that no Interconnection occurs."</p> <p>Clauses 41.18.1 and 41.19.2. SPD/SPM will not accept liabilities for consequential losses.</p> <p>Consequential Changes</p> <p>Billing and Payment Disputes – Clause 1.7. Reference to Paragraph 2 should be to Paragraph 1.</p> <p>General Comments</p> <p>The cross references to the Distribution Licence will need to change as a result of the current Ofgem review of standard licence conditions (e.g. current condition 9 will become condition 21). Go-live dates</p>

	are virtually simultaneous.
Western Power Distribution South West & Western Power Distribution South Wales	No
Question 8	Please state any other comments or views on the Change Proposal
CE Electric UK (NEDL & YEDL)	None
Central Networks East & Central Networks West	None
EDF ENERGY CUSTOMERS PLC	N/A
EDF Energy Networks	<p>Clause 39.6 contains a right of unobstructed access at all times for the user to assets on the company's premises. We believe this right should only be given in respect of joint use sites which are provided solely for the purpose of giving a point of supply to the user.</p> <p>Clause 41.1 should be subject to 41.4 i.e. so that 41.4 has precedence.</p> <p>Clauses 41.18 & 41.19 contain indemnities which are designed to match those given under section 2A to suppliers. We believe that the risk is greater under section 2B (as it does not relate to one end customer at a time) and so there is not a parallel between the two sections. We believe these indemnities should either exclude economic risk or else be limited in liability.</p>
Electricity North West Limited	When the Change Proposal is submitted for the vote all effected Parties should be provided with a complete version of DCUSA (in strikethrough) since the impact of this change affects all Sections of

	<p>DCUSA.</p> <p>If this is deemed inappropriate then:</p> <ul style="list-style-type: none"> a) it is essential that we show the consequential changes to Section 1 and 3 together with any Schedule changes in a strikethrough compared to the current agreement. The documentation contained within this consultation is just highlighting changes since the last consultation in August, and b) prior to its implementation there should be a review of the proposed DCUSA version that incorporates this Change Proposal, by a number of interested Parties, to avoid any modifications after the event. <p>If either of DCP009 and DCP010 are approved it may instigate further Change Proposals post the implementation date against Section 2B of DCUSA.</p>
GTC (on behalf of ENC)	In light of DCP010 working group, an additional clause will be required into section 2B regarding the communication of the Rota Load Alpha identifier from DNOs to IDNOs. The obligation already exists outside DCUSA but should be formalised through section 2B for relating to each IDNO / embedded connection point.
Independent Power Networks Limited	We welcome the advantages that a single framework for the terms of connection and use of system agreement will bring in terms of standardisation and transparency of contracts, ease of administration and change control. We also appreciate that DCP 012 represents a compromise between the parties and there are areas that may require further development in the future.
SP Distribution / SP Manweb	None
Western Power Distribution South West & Western Power Distribution	None

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