

Proposed variation:	Distribution Connection and Use of System Agreement (DCUSA) DCP068 – Clarification of Clause 12.10		
Decision:	The Authority ¹ directs that proposal DCP068 be made ²		
Target audience:	DCUSA Panel, Parties to the DCUSA and other interested Parties		
Date of publication:	06 October 2010	Implementation Date:	05 November 2010

Background to the modification proposal

The Authority published its decision letter on DCUSA change proposal DCP063³ on 3 June 2010. DCP063 sought to clarify the legal drafting in Clause 12 of the DCUSA regarding the arrangements for the IDNO/OTSO party category when these parties vote on DCUSA change proposals. DCP063 aimed to remove any confusion about the weighting of votes of parties in this category, namely, that each party has a vote of equal weight. The Authority approved DCP063.

In the course of assessing DCP063, we identified a lack of clarity in the text of Clause 12.10 and how it interacts with Clause 12.9. Clause 12.9 sets out the mechanism for calculating the weighting of votes in the IDNO/OTSO party category. Clause 12.10 sets out the mechanism for calculating the weighting of votes in all other party categories. However, Clause 12.10 states that Clause 12.10 is 'subject to' Clause 12.9, whereas each clause reflects a different mechanism for calculating the weighting of votes. An issue was captured on the DCUSA housekeeping log noting the discrepancy in the legal text. In July 2010, ESP Electricity Limited raised DCP068 to clarify the legal text in Clause 12.10.

The modification proposal

The proposal seeks to change the legal text in Clause 12.10 to address the lack of clarity we identified. The proposer considers that the proposal would better facilitate DCUSA objective 3.1.4 (promoting efficiency in the implementation and administration of the DCUSA) by removing the risk of confusion that the current text creates and providing clarity for all users of the DCUSA.

DCUSA Parties' recommendation

The Change Declaration for DCP068 indicates that DNO, IDNO, Supplier and DG parties were eligible to vote on DCP068. In each party category where votes were cast (no votes were cast in the DG party category), there was unanimous support for the proposal and its proposed implementation date. In accordance with the weighted vote procedure, the recommendation to the Authority is that DCP068 is accepted. The outcome of the weighted vote is set out in the table below:

DCP068	WEIGHTED VOTING (%)							
	DNO		IDNO		SUPPLIER		DG	
	Accept	Reject	Accept	Reject	Accept	Reject	Accept	Reject
CHANGE SOLUTION	100	0	100	0	100	0	n/a	n/a
IMPLEMENTATION DATE	100	0	100	0	100	0	n/a	n/a

The Authority's decision

The Authority has considered the issues raised by the proposal and the Change Declaration received on 8 September 2010. The Authority has considered and taken into

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ The DCP063 decision letter appears on the Ofgem website:

<http://www.ofgem.gov.uk/Licensing/ElecCodes/DCUSA/Changes/Pages/Changespage.aspx>.

account the vote of the DCUSA Parties on the proposal which is attached to the Change Declaration. The Authority has concluded that:

1. implementation of the change proposal DCP068 will better facilitate the achievement of the General DCUSA objectives; and
2. directing that the change is approved is consistent with the Authority's principal objective and statutory duties⁴.

Reasons for the Authority's decision

We note the unanimous support for the proposal from those parties that voted. There were no further comments on the proposed legal text changes.

General objective 3.1.4 - the promotion of efficiency in the implementation and administration of the DCUSA and the arrangements under it

We agree that the proposed changes to the legal text fully clarify that Clause 12.9 relates to one mechanism for the calculation of weighted votes (for the IDNO/OTSO party category) and Clause 12.10 relates to the calculation of weighted votes in all other categories. The changes to the text ensure that DCUSA Parties and others will not confuse or misinterpret the DCUSA when referring to these Clauses, adding to the efficient administration of the DCUSA arrangements.

Decision notice

In accordance with standard condition 22.14 of the Electricity Distribution Licence, the Authority hereby directs that modification proposal DCP068: '*Clarification of Clause 12.10*' be made with effect from 5 November 2010.

Mark Cox,
Associate Partner, Smarter Grids and Governance
Signed on behalf of the Authority and authorised for that purpose.

⁴ The Authority's statutory duties are wider than matters that the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.