

DCUSA DCP 033 Consultation Responses – Collated Comments

	Question One	Does the Change Proposal better meet the DCUSA objectives? Please explain your reasoning.
1	Central Networks East and West	Central Networks believes that the Change Proposal better meet the 4 th DCUSA objective as we consider that by bringing such terms into the national terms of connection will give transparency and consistency to customers of the generic connection terms that Distributors wish to enter into with them and so facilitate of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity.
2	EDF Energy Networks	<p>Yes.</p> <p>Objective 1 is better facilitated because the introduction of this proposal will ensure that all Customers will be provided with standard terms by which they are bound for their Connection to any Distribution Network. This should enable them to more effectively engage with DNO parties and IDNO Parties in relation to their network requirements i.e. use of required power, modifications to their existing requirements etc.</p> <p>Objective 2 is better facilitated because the housing of an expanded standard National Terms for Connections covering all Customers connected to any Distribution Network, on the ENA website, would provide a greater level of transparency/visibility of information in this area and therefore better facilitate competition and benefit customers.</p> <p>Objective 3 is better facilitated because the distribution licence condition that created DCUSA included a requirement that DCUSA should include terms that relate to connection to the system. The DCUSA steering group decided that the short timescales for putting DCUSA in place prohibited addressing connection terms and so this aspect was included within the matters for further consideration as an item within Schedule 12 of DCUSA.</p>

		This CP seeks to introduce terms into the National Terms of Connection in order to facilitate that work. In the recent Ofgem document 'Electricity Distribution Price control review – initial consultation document' consideration is suggested regarding standard connection agreements for Distributed Generation. This CP takes a proactive step forward in better facilitating this objective by such an introduction.
3	Independent Power Network	Accept. No specific comments.
4	Npower Limited	<p>RWE npower believes that the proposed change better facilitates DCUSA Objective 3.1.4:</p> <ul style="list-style-type: none"> the promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it. <p>A great deal of work has been undertaken to ensure that the National Terms of Connection (NTC) is more user-friendly and clearer in its drafting which will benefit customers and ensure that there is a greater level of understanding. This improved understanding should result in fewer queries being made that will ultimately improve the efficiency of implementing and administering the Connection Terms. However, this level of clarity must also be considered when presenting the new terms on the website and how they are implemented if optimal benefit is to be gained from the work done to-date.</p>
5	SP Distribution / SP Manweb	<p>We consider that objectives 1 to 3 are better achieved:</p> <ol style="list-style-type: none"> Parties bound to the same standard set of terms and conditions creating a more equitable relationship between DNOs and connected customers. A level contractual playing field for parties is ensured Licence obligations are better met
6	Power Data Associates Ltd	See Appendix A

7	The Electricity Network Co	<p>Yes</p> <p>The use of National Terms of Connection offers an efficient mechanism for managing the distributor – customer relationship. This is particularly the case where there is a change of occupier for which a distributor may not be made aware of.</p> <p>See Appendix B</p>
8	UK Lighting Board Secretariat	See Appendix C
9	Western Power South West and South Wales	<p>We believe the change proposal better meets the following DCUSA objectives:</p> <p>3.1.2 is better facilitated because accommodating the expanded version of the NTC's on the ENA website will provide a greater level of transparency/visibility of information in this area and therefore better facilitate competition and benefit customers.</p> <p>Objective 3.1.3 is better facilitated because the distribution licence condition that created DCUSA included a requirement that DCUSA should include terms that relate to connection to the system. This CP seeks to introduce terms into the NTC's in order to facilitate that work.</p> <p>In Ofgem's initial consultation document covering the Electricity Distribution Price control review it suggested consideration should be given to standardising connection agreements for Distributed Generation. This CP takes a proactive step toward better facilitating this objective.</p>
	Question Two	Is the Working Group right to use the status quo as a baseline? Please explain your reasoning.
10	Association of Meter Operators	Easier to commence with the existing than start from scratch.
11	Central Networks East and West	Central Networks believes it is right for the Working Group to use the status quo as a baseline as these terms were developed by the Industry and Herbert Smiths in the early 90's and in our experience such terms have served the industry well and feel therefore that they should be used as the baseline and any changes to these terms should be dealt with through

		subsequent change proposals.
12	EDF Energy Networks	<p>Using the status quo is the best position to start with. It enables a baseline to be established that is familiar from which subsequent alterations can be made.</p> <p>We recognise that the "status quo" is in fact a hybrid of various DNOs' terms and so will differ in some respects from each but that the group has tried to establish best practise where such differences occur.</p> <p>We believe this is a significant step forward in achieving standardisation and providing a governed baseline on which refinements can be made. As such it is better to start from a known position, albeit that there may be differences when comparing to specific contracts.</p> <p>A known baseline hopefully means that the changes have more chance of succeeding rather than any radical change. Any radical changes can then be proposed under open governance and those specific items debated individually.</p> <p>Without this, DNOs are relatively free to initiate such changes unilaterally.</p> <p>Such a status quo baselining also follows the model set by DCUSA itself, which has worked well.</p>
13	Independent Power Network	Accept. No specific comments.
14	Npower Limited	We believe that the decision to use the status quo as a baseline is correct as this is the most straight-forward approach to developing a single 'NTC set' to cover all those customers that require default terms. Changing the content of those terms at the same time would have only led to customer confusion and possible suspicion.
15	SP Distribution / SP Manweb	We support the use of the status quo (as provided with this consultation) as a baseline. We are happy that the status quo does not materially depart from the terms currently offered by SPEN and support the expansion of the NTC to apply to a wider range of distribution system connections.

16	Power Data Associates Ltd	Easier to commence with the existing than start from scratch
17	The Electricity Network Co	The status quo was developed at the opening of competition in the NHH market and was subject to significant debate at that time. We therefore believe it is right that it should be used as the baseline. However, we also believe it is appropriate to review and develop the base line to reflect industry experience and development.
18	Western Power South West and South Wales	Yes. Many of the DNO's were using a long form of the Connection Agreement using terms and conditions jointly implemented at market opening. Whilst DNO's may have diverged from these terms over the years there is still a lot of common ground between them. The terms and conditions are still largely fit for purpose and provide a good baseline for developing NTC's that reflect current industry arrangements and governance.
	Question Three	Do you have any concerns with the proposed changes to the National Terms of Connection? Please explain your reasoning.
19	Association of Meter Operators	See Comments to question six
20	Central Networks East and West	Central Networks does not have any concerns with the proposed changes to the National Terms of Connection
21	EDF Energy Networks	None that we would wish to address as part of this process. We may raise subsequent change proposals.
22	Independent Power Network	Accept. No specific comments.
23	Npower Limited	There is always a possibility that in providing the new NTC to deal with a wider range of customer scenarios that it will give rise to an increased number of queries to Suppliers regarding a range of issues that are outside of their control. This could adversely impact the Supplier community who

		are only acting as an agent for the DNO's in this instance.
24	SP Distribution / SP Manweb	We have no specific concerns at this time and are comfortable that, should any come to light in the future, we have the ability to address these through the DCUSA change process.
25	Power Data Associates Ltd	See Comments to question six.
26	The Electricity Network Co	<p>Yes</p> <p>It is our view that the connection terms are statutory terms and are established pursuant to Section 21 of the Electricity Act 1989. We believe it is inappropriate to refer to such terms as an "<i>agreement</i>" since the customer will have not been in a position to negotiate these and the terms do not constitute a contract. Therefore, we believe that such terms should be referred to in the context of "<i>these are the terms you are required to accept in order to receive a supply</i>".</p> <p>Section 1 of the agreement uses a style of referring to the network operator. However section2 refers to the network operator as being "we, our and us". Section 3 moves from using the term "you" to "the customer" a consistent style should b used across all sections.</p> <p>We have significant concerns with the proposal for Section 3. We believe the correct approach to take is to take the existing national terms and consider what additional terms are required for larger power connections.</p> <p>This contrasts with the proposed drafting which appears to attempt to shoe horn existing stand alone model connection agreements into the National Terms of Connection framework. In doing this the drafting fails to recognise the changed nature of such terms; i.e. that the national terms are not standalone agreements and that they are put in place by suppliers entering into supply contracts with consumers.</p> <p>Many of the provisions in the proposed drafting are already covered by statute or through other industry agreements and contracts. As a</p>

		<p>distributor, we acknowledge the importance of having robust terms in place. However, there needs to be balance.</p> <p>The consultation offers no explanation as to why there is a significant increase in the number of clauses required for Section 3 type consumers as compared to the current National Terms of Connection or an explanation as to what defects these additional clauses seek to address.</p>
27	Western Power South West and South Wales	We believe the proposed changes have been properly thought out and explored by the working group. Developing the "boilerplate" terms and conditions of the NTC's should give transparency and comfort to customers knowing that the DNO's connection terms that they wish the customer to enter into are generic to the industry.
	Question Four	Do you believe the proposed terms differ from the terms currently offered by Distributors? Please explain any differences.
28	EDF Energy Networks	<p>There will be minor differences between different DNOs' terms, which is the outcome of finding a hybrid of best practise.</p> <p>In order to reach that best practise, we have conceded to a balanced limitation of liability where previously our contracts had limited liability for us and unlimited liability for the customer.</p>
29	Independent Power Network	Accept. No specific comments.
30	Npower Limited	No
31	The Electricity Network Co	We believe the terms are probably consistent with many DNO connection agreements. However, as described above we believe many of the terms are superfluous or redundant given that these terms will be put in place under the DCUSA framework and that many of the areas are covered by statute
32	SP Distribution / SP Manweb	We do not consider that the proposed terms differ materially from those currently offer by SPEN.

33	Western Power South West and South Wales	<p>Because the Working Group has used the status quo as a baseline the proposed terms and conditions are largely built upon the same terms and conditions as those currently offered. They are however, updated to reflect current industry relationships and acknowledge, for example, the role of the independent distribution network operator.</p> <p>The proposed terms also introduce the concept that when the owner/occupier of a premises enters into the NTC's, the NTC's will apply to any other connection to a premises of which they are the owner/occupier.</p>
	Question Five	What changes would you like to see made to these terms in future if this baseline is implemented?
34	Central Networks East and West	Central Networks is comfortable with the current terms – should we wish to proposes any changes that in the future, we would raise a change proposal to the DCUSA accordingly.
35	EDF Energy Networks	<p>During the working group meetings we expressed concern about the contractual nature of these terms and whether they were in fact statutory.</p> <p>We dropped these points in order that this proposal maintains the status quo in the view that this would make the proposed terms more acceptable as a baseline.</p> <p>We are considering re-raising this point once the national terms are changed. Doing so as a separate change means that debate can focus on this matter in isolation and any disagreement with our perspective would not cause the current process to fail.</p>
36	Independent Power Network	Accept. No specific comments.
37	Npower Limited	We have no current requirement to see the baseline terms changed, but would ask that if there is a requirement in the future that this is done in a structured and co-ordinated way that includes the Supplier community and is mindful of the effect(s) that such changes may have on all parties involved.
38	The Electricity Network Co	We do not believe the terms are currently in a suitable form for implementation. Notwithstanding this, if these terms are implemented we

		would expect future changes to focus on streamlining the provisions of the terms.
39	SP Distribution / SP Manweb	We have no changes to propose at this time however are comfortable that, should any come to light in the future, we have the ability to address these through the DCUSA change process.
40	Western Power South West and South Wales	We believe the baseline is fit for purpose at this time but will need to be reviewed from time to time to ensure it remains relevant. In accordance with this requirement proper governance arrangements must be applied.
	Question Six	Do you have any other comments or observations on the proposed terms as a whole or on any specific clauses of the proposed terms?
41	Association of Meter Operators	<p>Section 2 – Whole Current metering</p> <p>Nothing in section 2 of the agreement has wording similar to section 3 clause 10.2 about protecting Company equipment installed on customer premises. This problems associated with maintaining meter boxes and providing safe unencumbered access to meter and service position have been discussed under MOCOPA® as an issue.</p> <p>The consensus is that the meter box is part of the customers property and therefore any damage should be repaired and chargeable to the customer. A related issue is about internal meter positions where the cut-out & metering equipment is enclosed within a cupboard, etc. In these cases again these is the need to have unencumbered access to the service/meter location.</p> <p>It would therefore be appropriate to include a requirement in this section on the customer to ensure the service/meter position is protected (physically from interference and damage) and they ensure safe unencumbered access to the service/meter equipment.</p> <p>I am sure AMO, ENA and MOCOPA® would be willing to review a suitable</p>

		clause.
42	Central Networks East and West	Central Networks does not have any other comments/observations at this present time.
43	EDF Energy Networks	none
44	Independent Power Network	Accept. No specific comments.
45	Npower Limited	No further comments to make, at present.
46	Power Data Associates Ltd	See below.
		<div>Section 2 clause 8, section 3 clause 8.3 and section 4 clause 9.4: "...Any other use of our network, including the transmission of data or communications, is strictly prohibited unless with our prior written consent. ..."</div> <div>This appears to be a new requirement. Not sure the rational for including this restriction. If anything causes interference with the electricity network then it should be disconnected, but that is an existing requirement. There are domestic products on the market which use power line carrier some of which will reflect back into the distribution system.</div>
		<div>Section 3 clause 5.11</div> <div>Not sure how the Distribution business can charge for electricity which should be being charged for by an electricity supplier. The charges for the distribution use of system are levied on the electricity supplier, not the customer. The supplier would seek to recover from the customer. This would fall within the Revenue Protection activity. Any energy undercharge would be recovered through the settlement processes.</div>
		<div>Section 3 clause 12.5</div> <div>Not sure how the Distribution business can charge for electricity which should be being charged for by an electricity supplier. The charges for the distribution use of system are</div>

			levied on the electricity supplier, not the customer. The supplier would seek to recover from the customer.
		Section 3 clause 13 & section 4, clause 14: POWER FACTOR AND PHASE BALANCE "...the Customer shall at all times..."	<p>This ideal requirement has existed for ever. The metered and unmetered sections are differently worded – the metered section is more customer orientated.</p> <p>In practice it is not possible to comply with the requirements as drafted as it expects the phases to be balanced at all times. In all customer installations there will be the intention to balance the phases, but at any point in time the actual balance will depend on the load being consumed at that time.</p> <p>The similar principle applies to power factor, although the installation design will seek to maintain a good power factor at different times the operating equipment may result in the power factor dropping below 0.95 or exceeding unity.</p> <p>The clauses should be revised with phrases like "installation should be designed to ..." "where reasonably practical..."</p>
		Section 4 definitions	"Summary Inventory" means a statement of the total number of Items <i>for each of the combination of Agreed Codes</i> , such statement to be extracted from the Detailed Inventory (as such statement is amended from time to time in accordance with the Unmetered Supplies Procedure)
		Section 4 section 7.1.1 – location in detailed	This is worded such that the grid ref and the address are required to be provided – this is not the actual practice. Generally either one or the

		inventory	other, or both are provided. The wording should be changed to highlight either A or B or both.
		Section 4 clause 7.1.2 - detail	<p><i>Propose the following revised wording:</i></p> <p><i>Detail:</i> information sufficient to allow the calculation of the annual electricity consumption, and the pattern of electricity consumption for the Item, it is preferable that the Agreed Codes should be used to provide this information, to include:</p> <p>(A) the type, description and wattage of the Item, (if applicable) the type of equipment control gear installed (e.g. low loss, optimal electronic or high frequency as used in street lighting); and</p> <p>(B) where the equipment is not operating continuously, the type of switch control (e.g. PECU, time switch, etc.) and the associated settings of the controller (e.g. dusk to dawn 70/35 lux); and</p>
		Section 4 clause 7.1.3 – remote connection point	This is not the current practice. Distributors are not interested in this information. Suggest remove
		Section 4 clause 7.3 – frequency of submission	The distinction of HH & NHH is not really appropriate. Whilst I would suggest retaining the "...reasonably specified and varied from time to time by the Company...", I would suggest that the criteria should be on numbers of items within the inventory – so detailed inventories with more than [20,000] items should be submitted monthly, and fewer than [20,000] items annually. The key business driver is actually that the inventory should be submitted after the

			<p>inventory has materially changed.</p> <p>We have some customers who submit a monthly inventory monthly when nothing has changed – which is daft. Equally, there are some large NHH customers with 100k's lamps which would only need to submit on an annual basis – during which time there will have been significant changes, causing settlement & DUoS error.</p>
		Section 4 clause 7.3	<p>Propose that the following text "...and (in each case) the date and type of change to the Detailed Inventory shall be recorded on an Item-by-Item basis...." should be deleted. This does not happen in practice, the customer submits a complete revised inventory and the difference from the previous inventory can be deduced, if necessary.</p>
		Section 4, clause 7.7	<p>Propose the following addition: "...Agreed Codes and in the file format defined in the Unmetered Supplies Procedure, the ..."</p>
		Section 4, clause 7.8.1	<p>2 working days notice is very short, should be about 20 working days to ensure customer has staff available to accompany any auditor to satisfy the customer's obligation in clause 7.8.3.</p>
		Section 4, clause 7.8.2	<p>Propose the following addition: "...the Customer shall reimburse the Company's reasonable direct costs incurred..."</p>
		Section 4, clause 7.10	<p>This is unreasonable. The old customer cannot be held responsible for ongoing obligations for equipment for which they are no longer responsible. Clause should be deleted</p>
		Section 4, clause 7.11	<p>Not really clear what this clause is seeking to</p>

			achieve. There are existing obligations under the Unmetered Supplies Procedure on the Meter Administrator. This clause needs justifying, or deleting
		Section 4, clause 7.13	This is already a requirement under the Unmetered Supplies Procedure, but the re-rating takes effect from the date the BSC publish revised charge code definition, this is generally a change going forward – never been aware of a change having a retrospective effect. Clause should be modified to be consistent with BSC
		Section 4, clause 7.14	This covered in the BSC and does not need to be repeated here. Clause should be deleted.
		Section 4, clause 10.11	Not sure why this is here – suggest it is removed. Provision of PECUs to populate PECU Arrays is covered in BSC and the customer/MA contract. Probably clause still here from a time when distribution businesses had the monopoly role of Meter Administrator.
		Section 4, clause 10	<p>It may be appropriate to include a specific clause in the agreement to require the customer to promptly replace/repair any of the customer control equipment – typical example may be a failed PECU that results in the lamp ‘day-burning’. Most lighting authorities are very good in promptly correcting failed PECUs, but including a clause may assist in challenging any lighting authority that is not as diligent.</p> <p>The converse, where a lamp fails, then the lighting authority has a natural incentive to repair and the energy is paid for but not consumed. Always regarded they balance each</p>

			<p>other out.</p> <p>Where the failure is due to a service cable fault the new standards (Oct10) will require Distributor to fix within certain timescales. It may be appropriate to mention this in terms of fix in timescales determined by law.</p>
47	SP Distribution / SP Manweb	We support the introduction of the proposed terms and have no further comments to make at this time. We view this Change Proposal as a positive development for the industry particularly in establishing a level contractual playing field for all parties.	
48	The Electricity Network Co	We provide some analysis of the areas where we have concern. Limitation of resource has prevented us from undertaking a more comprehensive review. In particular we have not reviewed the proposed arrangements for unmetered supplies.	
49	Western Power South West and South Wales	We have no further comments to make concerning the proposed terms.	