Timeline

Date	Legislation	Progression
May 2008	Citiworks Ruling	The European Court of Justice's (ECJ) ruling in Citiworks AG1 ('Citiworks') clarified that the requirement to provide for third party access applied in respect of all transmission and distribution systems, irrespective of size, and that it was not open to Member States to exempt certain types of transmission or distribution systems from the requirement. This drew the attention of British regulators to the gap in current industry arrangements. The complaint in the Citiworks case had been brought by an electricity Supplier seeking to compete with a monopoly Supplier at Leipzig airport. The ECJ ruled that the German law which exempted the owners of certain systems from the requirement to provide third party access contravened the requirement to provide for third party access to distribution systems. The judgment made it clear that, unless a specific derogation had been granted under the Directive, all distribution networks must be open to third party access so that customers connected to those networks have the Option to choose their own electricity and gas Suppliers. These third party access provisions are currently part of the directives under the Third EU Energy Package
2011	Electricity and Gas (internal markets) Regulations 2011	The Electricity and Gas (Internal Markets) Regulations 2011 introduced new obligations on PNOs and supply undertakings, including a duty to facilitate third party access to their electricity and gas networks. The Regulations set out separate obligations for PNOs and Suppliers. Third party access gives electricity and gas customers the right to choose from whom they receive a supply of electricity and/or gas. Since the introduction of Electricity and Gas (Internal Markets) Regulations

		certain customers that are: ☐ not directly connected to licensed distributors' networks; and ☐ subject to certain exemptions, are entitled to request an MPAN so that they can trade electricity with any participating Suppliers.
2012	Third Party Access Paper (ENA Work)	A Working Group was convened to discuss the issue of DUoS charging under the ENA and proposed two solutions in its Third Party Access paper to Ofgem. Ofgem provided guidance to industry parties by advising "The 'Boundary Charging' Option requires the full DUoS to be passed through by the exemption network operators while the 'Customer Charging' model requires some elements (losses and reactive power) of the DUoS
November 2013	DCP158 – DNO DUoS re EDNOs	DCP 158 was raised by Eastern Power Networks on the 30 November 2012 to standardise the DNO DUoS charging arrangements in the scenario where a customer within a Licence Exempt Distribution Network chooses to change Supplier and the Difference Metering solution is adopted for settlement. Ofgem rejected the change proposal

CURRENT OBLIGATIONS ON THE DIFFERENT DCUSA PARTIES

Obligations on DNOs

All relevant customers are entitled to request a MPAN and the LDNOs have relevant obligations to provide both MPANs and offer Metering Point Administration Services (MPAS) within their Distribution Services Areas.

Standard Licence Condition (SLC) 17.1 states:

"On application made by any Electricity Supplier in relation to any premises connected to the licensees Distribution System, the licensee must (subject to paragraph 17.5) offer to enter into an agreement for the provision of Metering Point Administration Services".

Whereas SLC 18.3 states:

"If the licensee is a Distribution Services Provider, it must ensure that Metering Point Administration Services are able to be provided, where so requested, in respect of all premises connected to any Distribution System other than the licensees within the Distribution Services Area."

Obligations on Suppliers

Suppliers have no obligation to offer terms for supply to customers on private network sites. However where a Supplier opts to do so, unless all customers are competitively supplied, it is required to facilitate the Difference Metering solution in line with the requirements of the Balancing & Settlements Code (BSC) and any relevant regulations. In addition the relevant regulations state that the Supplier must ensure that it can supply electricity across a private network.

As a separate matter Suppliers should familiarise themselves with any commercial arrangements that may apply on a site specific basis.

Obligations on PNOs

If PNOs choose to charge for the use of their network, they are required to submit a use of system charging methodology to the Authority for approval. However, this is not required to be linked to the LDNO's charging methodology or reflect items within it. The PNO's methodology must be fair, equitable and cost reflective.

Obligations on IDNOs

Whilst all customers are entitled to request a MPAN, not all Distributors are obliged to provide a MPAN. IDNOs are not Distribution Services Providers and so SLC 18.3 above does not apply. So IDNOs are not obliged to offer MPAS in respect of distribution systems other than their own.

Current Arrangements

If no customer within a private network has chosen a Supplier, LDNOs charge for DUoS at the boundary of the private network using gross data via D0036 or D0275 flows. However, where a customer on a private network requests a MPAN, and agrees a contract with a Supplier of their choice, a BSC Settlement Metering System will be established for that customer which may be part of a Difference Metering solution under the requirements of Balancing and Settlement Code Procedure (BSCP)514[1]. As a consequence the LDNO will no longer receive gross metering data in respect of consumption measured at the boundary with the private network and will instead receive net data for the boundary point (the difference between the total recorded consumption on the boundary meter and the sum of the recorded consumption at each of the embedded settlement metering points), together with the meter readings for each of the embedded customers.

[1] SVA Meter Operations for Metering Systems registered in SMRS