

Proposed variation:	Distribution Connection and Use of System Agreement (DCUSA) DCP006: Communication re Damage or Interference – Modification to DCP003		
Decision:	The Authority¹ directs that this variation be made²		
Target audience:	Parties to the DCUSA and other interested parties		
Date of publication:	29 October 2007	Implementation Date:	1 November 2007

Background to the proposed variation

On 19 June 2007, the Authority approved proposed variation DCP003. That variation introduced into DCUSA requirements for users to inform the distribution companies of any discoveries they may make of instances of damage or interference to electrical plant, electricity lines, or metering equipment. Prior to this, these obligations on suppliers were only contained in Standard Licence Condition (SLC) 16 of the Electricity Supply Licence.

On 1 August 2007, following the Supply Licence Review³, the Authority modified the Electricity Supply Licence, such that some of the obligations contained within SLC 16 were moved to new SLC 12. However many of the obligations were omitted altogether.

Following approval of DCP003, the proposer considered that the new clauses introduced by DCP003 did not accurately reflect the now omitted obligations in the Electricity Supply Licence. The proposer also considered these newly inserted clauses should be contained within part 1 of DCUSA and this required clarification within DCUSA. Part 1 of the DCUSA contains rules and obligations that can only be varied with the approval of the Authority.

The proposed variation

The proposed variation suggests a number of changes as follows

- Clarifies within section 1B of DCUSA (Governance) that the clauses inserted by DCP003, as amended by DCP006, should be contained within Part 1 of DCUSA.
- Obliges the user to ensure that any discoveries of the type envisaged under DCP003 and as amended by DCP006, made by a supplier's contractors or agents shall also oblige such contractor and/or agent to inform the distribution company of such discovery.
- Makes provisions for the inclusion of metering equipment at entry points as well as exit points.
- Where the user has reason to believe that a particular incident may have been caused by a criminal act, whether initially discovered by the user, its contractor or agent, or by the distributor and reported to the user in accordance with SLC 7 of

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 This was a major project lead by Ofgem, more information on which can be found at;
<http://www.ofgem.gov.uk/Markets/RetMkts/Compl/SLR/Pages/SLR.aspx>

the distribution licence, they are to provide the distribution company with information that may reasonably be required to allow such incident to be investigated to resolve any safety concerns arising out of it.

The proposer considers that the requirement to report damage and interference will allow for such damage and interference to be repaired or corrected thereby facilitating achievement of Applicable DCUSA Objective (a)⁴.

The proposer also considers, that ensuring users procure their agents and contractors with a view to them reporting such incidents will better facilitate the efficient discharge by the distributor of obligations imposed upon them by their licence, thereby better facilitating achievement of Applicable DCUSA Objective (c)⁵.

Recommendation to Ofgem

Proposed variation

The DCUSA Parties' recommendation was for the proposed variation to be implemented. Of the Party Categories which were eligible to vote (DNO, IDNO, and Supplier) over 50% in each Party Category recommended implementing the proposed variation.

Implementation Date

The DCUSA Parties recommendation was for the proposed implementation date to be accepted. Of the Party Categories which voted (DNO, IDNO, and Supplier) over 50% in each Party Category voted to accept the proposed Implementation Date.

The Authority's decision

The Authority has considered the issues raised by DCP006 and the final Change Report (CR) dated 20 September 2007. The Authority has considered and taken into account the responses to ElectraLink's⁶ consultation which are attached to the CR⁷ and the recommendation of the DCUSA Parties. The Authority has concluded that:

1. implementation of the proposed variation will better facilitate the achievement of the Applicable DCUSA Objectives⁸; and
2. directing that the proposed variation be made is consistent with the Authority's principal objective and statutory duties⁹.

Reasons for the Authority's decision

DCP003 introduced user reporting obligations into the DCUSA. These provisions oblige Users to report to the distribution companies the discovery of damage or interference to

⁴ As set out in the Distribution Licence Standard Condition 9B(9), see:
http://195.12.224.140/document_fetch.php?documentid=8378

⁵ As set out in the Distribution Licence Standard Condition 9B(9), see:
http://195.12.224.140/document_fetch.php?documentid=8378

⁶ The role, functions, and responsibilities of Electralink are set out in Section 1B of the DCUSA.

⁷ DCUSA change proposals, modification reports and representations can be viewed on the DCUSA website at
<http://www.dcusa.co.uk/Public/Default.aspx>

⁸ As set out in the Distribution Licence Standard Condition 9B(9), see:
http://195.12.224.140/document_fetch.php?documentid=8378

⁹ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989.

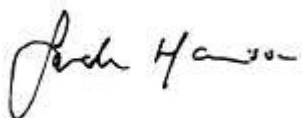
any electrical plant, electrical line or metering equipment through which premises are supplied. We consider damage or interference to such property could easily render it to be unsafe and any alteration to the nature of such reporting obligation would need to be considered carefully.

DCUSA clause 9.4 provides that any provisions of DCUSA that are directly related to the safety or security of the Distribution Network shall be deemed to fall within Part 1 of DCUSA. Ofgem considers the clauses inserted by DCP003 requiring the reporting to the distributor of potentially unsafe electrical property satisfies this criterion. DCUSA clause 9.5 provides a list of current provisions that are considered conclusively to be deemed as falling within Part 1 of DCUSA. DCP006 intends to update this list to include the provisions inserted by DCP003. Ofgem considers that the insertion of these provisions into clause 9.5 will provide greater clarity thereby better facilitating the achievement of Applicable DCUSA Objective (d).

Ofgem agrees that inserting into DCUSA the requirement for users to ensure that their contractors and agents should also report the discovery of any damage and interference to be a positive step in respect of system safety and efficiency. Similarly, extending the reporting requirements to metering equipment at entry points as well as exit points will also benefit the safety and efficiency of the system. These refinements, together with the refinement to assist with investigations where potential criminal activity is suspected, will in the interests of safety and the maintenance and operation of an efficient, co-ordinated and economical distribution system, better facilitate the achievement of Applicable Objective (a).

Decision notice

In accordance with Standard Condition 9B of the Distribution Licence, the Authority hereby directs that the proposed variation set out in DCP006: "Communication re Damage or Interference – Modification to DCP003" be made, and that it shall be implemented on 1 November 2007.



Sarah Harrison
Managing Director, Corporate Affairs
Signed on behalf of the Authority and authorised for that purpose.