

Log of Changes to DLR Proposals

| Change | PLC | | Title/Description | SLC | | Issue/s raised following Consultation | What has changed and why? |
|--------|-----|------|-------------------|-----|------|---|---|
| | PLC | Para | | SLC | Para | | |
| 1 | 1 | 3 | Definitions | 1 | 1 | De minimis business replaced by Ancillary business - some respondents said that the change was unnecessary and may in fact be less clear, ie the new term could equally relate to something that was part of the Distribution Business and something that was expressly not part of it. | Redrafted so that the term De Minimis Business is retained, as opposed to the term Ancillary Business. The industry considered that the term De Minimis Business was a more appropriate term and its meaning was already well understood |
| 2 | 1 | 3 | Definitions | 1 | 1 | Application Regulations - One respondent said that by referring to 'an electricity distribution licence', the definition appears to limit the obligation in PLC 12.9 when compared to the current SLC 4D(8). PLC12.9/SLC4D(8) places an obligation on licensees to provide information to people who require it to complete an application under the Application Regulations. The current licence definition refers broadly to licences (implying all). The new definition is narrower in referring to Electricity Distribution Licences only. | Redrafted so that the definition of Application Regulations refers to licences, as opposed to specifically electricity distribution licences. We consider that this best reflects the current licence drafting. |
| 3 | 1 | 3 | Definitions | 1 | 1 | Basic Metering Services - the definition refers to June 2003 standards of service. A respondent considered that this reference is new and confusing. Another respondent commented that our proposal in this area may have an impact on Industry Codes. | Definitions for Basic Metering Equipment and Basic Metering Services have been removed from our proposals. |
| 4 | 1 | 3 | Definitions | 1 | 1 | Basic Metering Equipment - the definition refers to functionality as at 1 June 2003. A respondent considered that this reference is new and is confusing. Another respondent commented that our proposal in this area may have an impact on Industry Codes. | This is because since changes to licensees obligations in relation to metering on 1 April 2007, these terms are now obsolete. |
| 6 | 1 | 3 | Definitions | 1 | 1 | Connection - the inclusion of the term 'indirect' implies that a licensee has obligations on embedded networks which it doesn't own. A respondent questioned whether this was the intention. The same respondent also considered that extending the definition to include "retain" an existing connection is not set out in the Act. | Redrafted so that the definition of connection is removed. We consider that it is not appropriate to introduce a definition for 'connection' at this time. This is because we consider the original proposal may unnecessarily limit what is meant by a 'connection' and are keen that such a definition is developed in conjunction with our ongoing work on Competition in Connections. Our commitment to work in this area was recently described in the DPCR5 Initial Consultation document. |
| 7 | 1 | 3 | Definitions | 1 | 1 | Consumer Council - we propose to amend the definition to take account of changes to the CEAR Act 2007. However, Ofgem is in the process of consulting more widely on necessary changes to take account of the replacement of energywatch. | Redrafted the definition of Consumer Council so it reverts back to the definition used in the current licence. We consider this is appropriate because we intent to introduce all necessary changes as a consequence of the CEAR Act to all licences in a coordinated manner later in 2008. |
| 8 | 1 | 3 | Definitions | 1 | 1 | Distribution Business - one respondent considered that the terms Basic Metering Services and Basic Metering Equipment have consequential effects to the definition of distribution business, ie limits metering activity so that unregulated services must now be considered as ancillary/de minimis business. | The term Distribution Business has been redrafted to take account of our decision to remove the defined terms Basic Metering Equipment and Basic Metering Services. As a consequence of this redraft there is no longer a need for different definitions of Distribution Business depending on whether the licensee is a DSP or not. |
| 9 | 1 | 3 | Definitions | 1 | 1 | Electricity Supplier - will only refer to licensed suppliers. The current term refers to authorised suppliers, ie those that are either licensed or exempt. | Redrafted so that the term Electricity Supplier relates to licensed and exempt suppliers. We considered that this better reflected the current licence drafting. |
| 10 | 1 | 3 | Definitions | 1 | 1 | Excluded Services - by defining these as ancillary to the distribution of electricity, our proposal would appear to rule out the existing category in special licence condition A2. | Redrafted so that the definition did not exclude references to appropriate Special Conditions. |

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| 11 | 1 | 3 | Definitions | 1 | 1 | Subsidiary - A respondent considered that because the term is not used solely in respect of the licensee, it's definition should be amended to reflect this. | Redrafted so that the term Subsidiary applies to all subsidiaries. |
| 12 | 4 | 2 | No abuse of licensee's special position | 4C | 6 | <p>Numerous respondents commented on our proposals in this area. Some felt that they placed an extra burden on the licensee and had broadened the scope of the obligation.</p> <p>Other respondents objected to the proposal on the basis that they considered that the obligation had been weakened.</p> <p>Another respondent considered that on balance our proposal was appropriate and reflected prevailing competition law.</p> | <p>Redrafted so that provisions relating to the abuse of the licensee's special position are i) still contained in the same licence condition, ii) listed in accordance with the different activities the prohibitions apply to (therefore reflecting the current licence draft) and iii) complimented by a general prohibition, which in our view reflects general competition law.</p> <p>The proposed drafting of PLC 4 is based on a draft circulated by Roger Barnard and has been subject to industry peer review.</p> <p>Nb our proposal therefore continues to include provisions relating to Cross Subsidy and an interpretations clause.</p> |
| | | | | 6 | 4 | | |
| | | | | 8 | 4 | | |
| | | | | 14A | 4 | | |
| | | | | 14C | 7 | | |
| | | | | 36 | 11 | | |
| | | | | 36A | 9 | | |
| | | | | 36C | 4 | | |
| | | | | 38 | 6 | | |
| 39 | 3 | | | | | | |
| 13 | 7 | 11 | Authority determinations in relation to Charging Statements | 4E | 4 | <p>PLC 7 will allow the Authority to determine disputes in relation to charges based on Charging Statements but not Charging Methodologies.</p> <p>One respondent considered that this provision had been removed.</p> | PLC 7.11 has been redrafted so it is clear that the Authority can determine disputes in relation to both UoS and connection charging statements and methodologies. |
| 14 | 8 | | Safety and Security of Supplies Enquiry Service | | | <p>A respondent considered that as part of PLC 8, like PLC 10.11, the statement should be provided "in a manner or format that is suitable for the communication needs of certain customers."</p> | <p>Redrafted so that PLC 8.5 now includes two additional provisions that mimic those in PLC 10.11.</p> <p>This redraft is to ensure consistency in relation to the provision of information to people who might request it.</p> <p>Also note, that we have added a provision that allows all statements under PLCs 8, 9 and 10 to be published as one document.</p> |
| 15 | 9 | | Arrangements for access to premises | | | <p>One respondent considered that as part of PLC 9, like PLC 10.11, the statement should be provided "in a manner or format that is suitable for the communication needs of certain customers."</p> <p>Another respondent considered that the Authority should have to approve statements.</p> | <p>Redrafted so that PLC 8.5 now includes two additional provisions that mimic those in PLC 10.11.</p> <p>This redraft is to ensure consistency in relation to the provision of information to people who might request it.</p> <p>Also note, that we have amended PLC 9.4 so that it allows all statements under PLCs 8, 9 and 10 to be published as one document.</p> |
| 16 | 9 | 2 | Arrangements for access to premises | 19 | 2 | The current requirement to provide passwords for "vulnerable customers" (SLC 19(2)) has been extended to "customer" (PLC 9.2(c)). One respondent considered that this is an additional obligation and could have significant system and resourcing implications with no proven benefit for customers. | Redrafted so that PLC 9.2 refers to PLC 10.7. We have redrafted this provision to make it explicit when passwords are to be used in accordance with the licence. This does not preclude licensees' general use of passwords. |
| 17 | 10 | 3 | Special services and complaints procedure - PSR Customer | 17 | 1 | <p>PLC 10.3 as drafted could be interpreted such that all customers who are of pensionable age, disabled or chronically sick are, by definition, PSR customers.</p> <p>One respondent considered that this was not Ofgem's intention since it would include all pensionable age customers and make the maintenance of a register highly onerous with little or no benefit to customers.</p> <p>They went on to say, if it is Ofgem's intention to define all pensionable age customers as PSR customers, then this creates an onerous new workload obligation and is unacceptable.</p> | For the avoidance of doubt, we have redrafted this provision to include an 'and' at the end of PLC 10.3(a) |

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| 18 | 10 | 9 | Special services and complaints procedure - Complaint handling | 21 | 1 | <p>PLC 10.9 requires that the licensee handles complaints that i) relate to the distribution of electricity or ii) the manner in which it conducts its distribution business.</p> <p>One respondent considered that these circumstances are confusing and extend the licensee's obligations.</p> <p>Another considered that given we are consulting on next steps for complaint handling, these provisions should be removed from the proposed licence.</p> <p>And another considered that given we are developing policy on complaint handling as part of another workstream, we should leave the text for PLC 10.9 the same as SLC 21.</p> | <p>We propose not to redraft this provision because it is consistent with similar changes made to the supply and gas transporter licences. In particular the additional expression 'the distribution of electricity' is only intended to add clarity as to the scope of the obligation.</p> <p>Nb we intend to make more substantive changes to the provisions relating to complaint handling later in the year, in accordance with the CEAR Act.</p> |
| 19 | 12 | 2 | Requirement to offer terms for UoS and connection | 4D | | <p>A couple of respondents considered that no justification had been given for our proposal that would require licensees to ensure that a request for connection complies with Section 16A of the Act</p> <p>A respondent proposed that the obligation could be redrafted so the licensee should "take all reasonable steps to assist the requester to ensure that it does so comply."</p> <p>Another respondent proposed a similar alternative</p> | <p>We propose not to redraft this provision. This is because it only requires that the licensee takes all reasonable steps, which in our view is, for example, instructing/informing/advising the customer/requester as best they can - ie similar to the requirements in PLC 15. It is then the customer's place to act on those instructions/guidance.</p> |
| 20 | 12 | 3 | Requirement to offer terms for UoS and connection | 4D | 3 | <p>In one respondent's view PLC 12.3 will not require the provision of info where modification of an existing connection is necessary. This deviates from current condition.</p> <p>The respondent considered that this omission will make it hard to assess whether there may be a need for consequential modification to a downstream network.</p> | <p>Originally this issue would have been resolved by the proposed definition of connection, which referred to modifications.</p> <p>However, because we propose not to introduce a definition of connection, we have redrafted this particular provision so that it reflects the drafting of existing SLC 4D (3)(b).</p> |
| 21 | 12 | 7 | Requirement to offer terms for UoS and connection | 4D | 7 | <p>SLC 4D(7) lists circumstances which if satisfied could relieve the licensee of its obligations to offer terms for UoS and connection.</p> <p>Relief from offering terms for connection have not been included in PLC 12.</p> | <p>Redrafted PLC 12.7 so that it refers to PLC 12.2. We have done this because we consider it more accurately reflects the drafting of the current licence.</p> |
| 22 | 13 | 8 9 | Charging methodologies for UoS and connections | 4 | 7 | <p>PLC 13.8-9 only allows for charges to be levied in relation to modification reports, whereas SLCs 4(7) and 4B(14) allow for charges for the original methodologies as well.</p> | <p>Redrafted so that PLC 13.8 and 13.9 allow the licensee to charge for the provision of the original methodologies as well as modification reports. This redraft more accurately reflects the current licence.</p> |
| 23 | 15 | 9 | Standards for the provision of non-contestable connection services | 4F | 9 | <p>The licence (which requires information annually) is not in sync with the guidance (requires quarterly info) published in accordance with PLC 15.12.</p> | <p>In accordance with respondent's views, we propose to redraft PLC 15.12(b) so that it is clearer that related guidance can also comment on the frequency with which information is provided under PLC 15.</p> <p>Nb we have made a similar change to PLC 45.7(e)</p> |
| 24 | 17 | 5 | Requirement to offer terms for MPAS | 14C | 5 | <p>PLC 17.5 as drafted states "the licensee must not offer or offer to enter into...". In one respondent's view this is a change from SLC 14C (5) which states that "The licensee shall not be obliged..." The affect of this change is that should a licensee unwittingly make an offer to an applicant which does breach the Act, codes or conditions it may have also breached this licence condition.</p> | <p>Redrafted so that 'The licensee is not obliged to offer offer to enter or to enter into an agreement...'. We consider that our revised proposal better reflects the current licence.</p> |

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| 25 | 32 | 4 | Effect of the application of Section B - Convenience Customers | 32A | | <p>PLC 32.4 would appear to restrict the obligation from applying to existing DNOs.</p> <p>Another respondent queried whether the provisions relating to Convenience Customers were necessary anymore.</p> | <p>PLC 3 and 32 have been redrafted so that it is clear that the provisions relating to Convenience Customers may also apply where the Secretary of State has issued a Scheme in accordance with Schedule 7 of the Utilities Act. Ie, such a scheme has effect as though it were a Distribution Services Direction and therefore applies, where appropriate to existing DNOs.</p> |

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| 26 | 34 | 12 | Requirement to offer terms for the provision of legacy basic metering | 36 | 8 | PLC 34.12 as drafted states "the licensee must not offer or offer to enter into...". One respondent expressed the view that this is a change from SLC 36(8) which states that "The licensee shall not be obliged..." The affect of this change is that should a licensee unwittingly make an offer to an applicant which does breach the Act, codes or conditions it may have also breached this licence condition. | Redrafted so that 'The licensee is not obliged to offer offer to enter or to enter into an agreement...'. We consider that our revised proposal better reflects the current licence. |
| 27 | 35 | 9 | Requirement to offer terms for the provision of legacy basic metering | 36A | 7 | PLC 35.9 as drafted states "the licensee must not offer or offer to enter into...". One respondent said that in their view this is a change from SLC 36A(7) which states that "The licensee shall not be obliged..." The affect of this change is that should a licensee unwittingly make an offer to an applicant which does breach the Act, codes or conditions it may have also breached this licence condition. | Redrafted so that 'The licensee is not obliged to offer offer to enter or to enter into an agreement...'. We consider that our revised proposal better reflects the current licence. |
| 28 | | | Financial and Ring-fencing arrangements | BA1 | <p>There was considerable commentary by respondents on our proposals in this area.</p> <p>In general there was broad support for consolidation the BA conditions, Special Condition G1 and the like for like Section C conditions.</p> <p>However, one respondent raised strong concerns in relation to our proposals. In particular that IDNOs would be losing a fundamental voting right over obligations that are key to the operation of their businesses. They also said that our proposal to remove the BA conditions as a consequence of a CLM would be illegal.</p> | <p>REDRAFTED so that BAs 1, 5 and 6 are retained as BA conditions; consequently PLC 34 is removed from our proposals; PLC 32 and 33 are moved to Section B, become PLCs 40 and 41 and have their variation clauses removed; BAs 2, 3 and 4 are consolidated into the standards as PLC 29, 30 and 31.</p> <p>PLC X will not be introduced because we consider that it is disproportionate to do so.</p> | |
| | 29 | BA2 | | | | | |
| | 30 | BA3 | | | | | |
| | 31 | BA4 | | | | | |
| | 40 | BA5 | | | | | |
| | 41 | BA6 | | | | | |
| 29 | 48 | 1 | Reporting of Price Control Cost Information | | | PLC 48.1(b) should refer to paragraph 48.2 not paragraph 2. | Redrafted so that PLC 48.1 refers to 'paragraph 48.2' not 'paragraph 2' |
| 30 | | | Due and undue discrimination | | | One respondent considered that the term "discrimination" already permits justified differentiation and therefore the words "undue" and "unduly" are not necessary and could widen the scope significantly beyond justified discrimination. | <p>We propose to redraft provision relating to discrimination so they reflect the drafting of the current licence.</p> <p>This is because following concerns raised by a respondent, we consider that it is prudent at this time to maintain the status quo.</p> |
| 31 | 42 | 2 | Independence of DNO - abuse of special position | 39 | 3 | Paragraph is redundant because it is captured in the revised draft of PLC 4.1 | PLC 42.2 has been removed because it is covered by our redrafted PLC 4.1. |
| 32 | 12 | 5 | Timing of offer of terms | 4D | 5 | Unlike SLC 4D (5), PLC 12.5 does not recognise that a request for terms for UoS or connection may be sent to a licensee's agent. | <p>PLC 12.5 has been redrafted to allow requests for terms for UoS or Connection to be sent to the licensee or its agent.</p> <p>In our view this reflects the drafting of the current licence.</p> |
| 33 | 15 | 16 | Definition of Quotation | 4F | 16 | The definition of quotation refers to a statement under PLC 13. However, PLC 13 refers to UoS and connection statements. It was considered that definition could be made more clear. | Redrafted so that for clarity the definition of quotation now refers to the combined connections statement under PLC 13.13. |
| 34 | 48 | 1 | Reporting of Price Control Cost Information | 52 | 1 | <p>PLC 48.1 relates to the reporting of information on a regular basis from 1 April 2005.</p> <p>It was noted that we had proposed to remove this reference because it has now passed and we have introduced a definition for a regulatory year which is between 1 April and 31 March</p> | The reference to 1 April 2005 has been removed from PLC 48.1. This is because the requirement is now obsolete and in any case the new definition of Regulatory Year makes it clear that the reporting period should be between 1 April and 31 March each year. |