

Proposed variation:	<b>Distribution Connection and Use of System Agreement (DCUSA) DCP064 – DCUSA Amendments in relation to the Electricity (Standards of Performance) Regulations 2005</b>		
Decision:	The Authority <sup>1</sup> directs that proposal DCP064 be made <sup>2</sup>		
Target audience:	DCUSA Panel, Parties to the DCUSA and other interested Parties		
Date of publication:	22 September 2010	Implementation Date:	04 November 2010

## Background to the modification proposal

The Authority published its final proposals on the electricity Distribution Price Control Review 2010-15 (DPCR 5) in December 2009<sup>3</sup>. We proposed changes to the Electricity (Standards of Performance) Regulations 2005 as a result of the final proposals and consulted on these. In March 2010, DECC consented to revised Regulations to include our changes and they were implemented, as the Electricity (Standards of Performance) Regulations 2010, on 1 April 2010<sup>4</sup>.

An issue was added to the DCUSA housekeeping log shortly after to assess whether the changes have a consequential impact on the DCUSA. In May 2010, CE Electric UK raised the issue as a DCUSA change proposal (DCP064).

## The modification proposal

The proposal follows a review of the DCUSA to ensure that any impact from the changes to the Electricity (Standards of Performance) Regulations are captured in the DCUSA legal text. The proposed changes are updating references in DCUSA to the 2010 Regulations and for any cross references within the Regulations. In the proposer's view, DCP064 would better facilitate Objective d (the promotion of efficiency in the implementation and administration of the DCUSA and the arrangements under it) of the General DCUSA Objectives, by ensuring that the DCUSA accurately reflects changes made to the Regulations and is in line with current legislation.

The DCUSA was reviewed by a working group and a number of changes identified, in particular to Clauses 33 and 49. DCP064 was recommended for implementation on 4 November 2010 if approved.

## DCUSA Parties' recommendation

The Change Declaration for DCP064 indicates that DNO, IDNO, Supplier and DG parties were eligible to vote on DCP064. 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 DCP064 is accepted. The outcome of the weighted vote is set out in the table below:

DCP064	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

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

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

<sup>3</sup> The final proposals are published on the Ofgem website:

[http://www.ofgem.gov.uk/Networks/ElecDist/PriceCtrls/DPCR5/Documents1/FP\\_1\\_Core%20document%20SS%20FINAL.pdf](http://www.ofgem.gov.uk/Networks/ElecDist/PriceCtrls/DPCR5/Documents1/FP_1_Core%20document%20SS%20FINAL.pdf).

<sup>4</sup> The Regulations (SI 2010/698) are published on the Office of Public Sector Information (OPSI) website:

<http://www.legislation.gov.uk/ukxi/2010/698/contents/made>.

## **The Authority's decision**

The Authority has considered the issues raised by the proposal and the Change Declaration received on 25 August 2010. The Authority has considered and taken into 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 DCP064 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 duties<sup>5</sup>.

## **Reasons for the Authority's decision**

We note the unanimous support for the proposal from those parties that voted. There were no comments on the proposed legal text changes which update the DCUSA with cross-references to the relevant paragraphs or definitions within the Regulations.

### ***General objective (d) - the promotion of efficiency in the implementation and administration of the DCUSA and the arrangements under it***

We agree that updating the DCUSA with the appropriate cross-references within the 2010 Regulations is beneficial to the efficient administration of the DCUSA. The DCUSA will accurately reflect the relevant paragraphs in the Regulations and avoid any confusion or misinterpretation by DCUSA Parties and others when they refer to the DCUSA and to the Regulations. The consistent treatment of the Regulations within the DCUSA is an efficient and effective way of administering the DCUSA.

## **Decision notice**

In accordance with standard condition 22.14 of the Electricity Distribution Licence, the Authority hereby directs that modification proposal DCP064: '*DCUSA Amendments in relation to the Electricity (Standards of Performance) Regulations 2005*' be made with effect from 4 November 2010.

**Mark Cox,**

**Associate Partner, Smarter Grids and Governance**

Signed on behalf of the Authority and authorised for that purpose.

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<sup>5</sup> 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.