

Proposed variation:	Distribution Connection and Use of System Agreement (DCUSA) DCP098 – DCUSA criteria for Urgent Change Proposals		
Decision:	The Authority ¹ directs that proposal DCP098 be made ²		
Target audience:	DCUSA Panel, Parties to the DCUSA and other interested Parties		
Date of publication:	24 October 2011	Implementation Date:	To be confirmed by Electralink

Background to the modification proposal

DCUSA parties may raise change proposals to vary the terms of the DCUSA. In raising a change proposal, a party can state³ whether and why, in its view, the proposal ought to be treated as urgent based on the urgency criteria set out in the DCUSA⁴ (Clause 10.7). A proposal which is considered urgent can be assessed according to an urgent timetable which is shorter than that for a standard change proposal.

The DCUSA Panel can reach its own view on whether a change proposal meets the urgency criteria and only those proposals considered as urgent are granted urgent status⁵. The Authority does not currently provide a view on the urgent status of DCUSA change proposals.

On 25 May 2011, Ofgem published its updated guidance on code modification urgency criteria⁶. The guidance sets out how the Authority would determine whether a code modification is granted urgent status where such a determination is required. The guidance is illustrative rather than exhaustive and the Authority will treat each modification on its merits.

The DCUSA Panel noted the issuing of the Authority guidance at its meeting in June 2011 and agreed to raise a DCUSA change proposal which would bring the provisions of Clause 10.7 into line with the guidance.

The modification proposal

ESP Electricity raised DCP098 in July 2011. Legal text was developed for the proposal and submitted to a Workgroup for consideration prior to the DCUSA parties' vote.

DCP098 would amend Clause 10.7 to provide consistency between the DCUSA and the Authority's guidance on urgency criteria by incorporating relevant wording from the guidance into the Clause. In the proposer's view, the proposal would allow the DCUSA Panel to assess whether a change proposal meets the updated criteria and should or should not be progressed with urgent status. Referencing the criteria in the DCUSA would prevent potential misuse of urgent status and help target party resources on the most critical issues, thereby better facilitating the DCUSA General Objective which promotes efficiency in the implementation and administration of the DCUSA.

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 Clause 10.4.8 of the DCUSA.

⁴ Clause 10.7 of DCUSA.

⁵ Clause 10.12 of the DCUSA.

⁶ The guidance is available on the Ofgem website here:

<http://www.ofgem.gov.uk/Licensing/IndCodes/Governance/Documents1/Ofgem%20Guidance%20on%20Code%20Modification%20Urgency%20Criteria.pdf>.

DCUSA Parties' recommendation

The Change Declaration for DCP098 indicates that DNO, IDNO/OTSO, Supplier and Distributed Generation (DG) parties were eligible to vote on DCP098. 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 the proposed implementation date. In accordance with the weighted vote procedure, the recommendation to the Authority is that DCP098 is accepted. The outcome of the weighted vote is set out in the table below:

DCP098	WEIGHTED VOTING (%)							
	DNO		IDNO/OTSO		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

The Authority's decision

The Authority has considered the issues raised by the proposal and the Change Declaration dated 19 September 2011. The Authority has considered and taken into account the vote of the DCUSA Parties on the proposal which is set out in the Change Declaration. The Authority has concluded that:

1. implementation of the change proposal DCP098 will better facilitate the achievement of the DCUSA General objectives⁷; and
2. directing that the change is approved is consistent with the Authority's principal objective and statutory duties⁸.

Reasons for the Authority's decision

We agree that the proposal better meets the DCUSA General Objectives.

DCUSA General Objective 3.1.4 'the promotion of efficiency in the implementation and administration of the DCUSA'

We consider that the proposal better facilitates this objective for the reasons provided by the proposer. Having appropriate alignment and consistency between our guidance on urgency criteria and the relevant provision of the DCUSA ensures that parties which raise DCUSA change proposals seeking urgency are clear about the criteria that will be considered by the DCUSA Panel. The Panel would also have clarity on how to determine whether urgent status is appropriate for a proposal or not, providing for a more robust and effective governance process as a result.

The Authority currently has no direct role under the DCUSA in determining urgent status. In our view, we consider it appropriate for the Panel to adopt our guidance and for the DCUSA to reflect similar wording in the legal text. This approach would ensure that the DCUSA Panel has recourse to the guidance when it comes to determine urgent status and the process by which change proposals are prioritised through DCUSA open governance becomes more efficient. Although the proposed legal text does not exactly reflect the terms of our guidance, the Panel should be mindful of it in reaching its determination on urgent status.

⁷ The DCUSA General Objectives (Applicable DCUSA Objectives) are set out in Standard Licence Condition 22.2 (a) to (d) of the Electricity Distribution Licence and are also set out in Clause 3.1 of the DCUSA.

⁸ 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.

Decision notice

In accordance with standard licence condition 22.14 of the Electricity Distribution Licence, the Authority hereby directs that modification proposal DCP098: *'DCUSA criteria for Urgent Change Proposals'* be made.

Declan Tomany

Associate Partner Legal - Smarter Grids and Governance

Signed on behalf of the Authority and authorised for that purpose