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By email to: industrycodes@ofgem.gov.uk

23 November 2012

Dear Lisa,

Re. Code Governance Review Phase 2 – Consultation Response

The DCUSA Panel welcomes the opportunity to respond to Ofgem's consultation on the second phase of the Code Governance Review (CGR2).

The DCUSA is a multi party Agreement between electricity Distributors and Suppliers. It is concerned with use of the electricity distribution systems to transport electricity to or from connections to them. The DCUSA Panel is responsible for the effective and efficient administration of the Agreement on behalf of DCUSA Parties. Code Administration services are delivered by the Panel through a competitively procured commercial contract with ElectraLink Ltd, which includes defined service levels.

The DCUSA was not included in the recommendations of the first phase of the Code Governance review, and is not currently required to comply with the Code Administration Code of Practice (CoP), albeit does so in part. The CGR2 consultation seeks to include the DCUSA in a number of the proposals.

The DCUSA Panel considers it is appropriate for DCUSA parties to respond directly to the consultation to provide Ofgem with their views on if and how the proposals in CGR2 should be implemented, and on the supporting changes to the licences.

The DCUSA already delivers some of the approaches and requirements set out in the CGR2 consultation, e.g. some principles of the Code Administration Code of Practice and self governance. The Panel welcome Ofgem's expectation that the provisions of CGR2 could be implemented in phases, as this would provide flexibility for the individual natures of the codes, and the other industry work streams that may be linked and/or requiring party resource.

The Panel is currently undertaking a detailed review of the DCUSA change process with input from DCUSA Parties, ElectraLink and Ofgem. One Change Proposal has already been raised to provide flexibility and clarity to the change process. The CGR2 proposals will be considered in the progression of that review.

The Panel notes Ofgem's ambition to increase participation of smaller parties. All DCUSA Parties, including small suppliers and IDNO parties recently received consultations on the DCUSA change process (as noted above) and the DCUSA website. Both these consultations aimed to gather views on how Parties could be better served and supported, and thereby provided an opportunity to raise concerns and offer solutions for increasing engagement. Parties have also been invited to put forward representatives to join a DCUSA website user group to engage in the development of the DCUSA website.

We look forward to receiving Ofgem's conclusions on CGR2 in the new year, and working with DCUSA Parties and Ofgem to implement any requirements.

Please let me know if you require any further information.

Yours sincerely,

Chris Allanson

DCUSA Panel Chair