

Modification proposal:	Distribution Connection and Use of System Agreement (DCUSA) Change Proposal (CP) 304 – Metering Works by Non-Appointed Meter Operator		
Decision:	The Authority ¹ directs this modification ² be made ³		
Target audience:	DCUSA Panel, Parties to the DCUSA and other interested parties		
Date of publication:	17 July 2018	Implementation date:	Five working days following Authority approval

Background

The Proposer argues that, as the smart meter rollout gathers pace, meter operators could face increasing numbers of situations where it would be beneficial to the efficiency of the programme if they were able to work on metering equipment located at electricity metering points where they are not the appointed meter operator.

DCP 304 seeks to widen the scope of DCUSA to provide the necessary legal permissions to allow suppliers and their meter operators to break seals and work on metering equipment at electricity metering points for which they are not the appointed meter operator.

The modification proposal

DCP 304 was raised by British Gas on 11 July 2017. The modification seeks to amend DCUSA to provide the necessary legal permissions to allow non-appointed meter operators to carry out metering works on metering equipment. There are a number of situations where this could be necessary, which include:

- Minimal reposition of third party meter in communal meter position, to accommodate space for appointed smart meter installation;
- Work on looped neutral(s) on metering equipment;
- Work on a shared supply;
- Investigation/remedial revenue protection work; and
- Installation of an isolator.

DCP 127⁴ (Gas First Smart Meter Installation) added new terms into the DCUSA. DCP 304 expands upon that and seeks to introduce similar terms, and would define two new legal relationships:

- A legal relationship between the Registered Supplier of a metering point and Supplier whose meter operator wishes to work on that metering point
- A legal relationship between the DNO/IDNO and the Supplier whose meter operator wishes to work on that metering point

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² 'Change' and 'modification' are used interchangeably in this document.

³ This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

⁴ <https://www.ofgem.gov.uk/ofgem-publications/62496/dcp127d-pdf>

DCUSA Parties' recommendation

In each party category where votes were cast (no votes were cast in the DG⁵ or IDNO/OTSO party categories), there was majority (>50%) support for the proposal and for its proposed implementation date. In accordance with the weighted vote procedure, the recommendation to the Authority is that DCP 304 is accepted. The outcome of the weighted vote is set out in the table below:

DCP 304	WEIGHTED VOTING (%)							
	DNO ⁶		IDNO/OTSO ⁷		SUPPLIER		DG ⁸	
	Accept	Reject	Accept	Reject	Accept	Reject	Accept	Reject
CHANGE SOLUTION	100%	0%	n/a	n/a	80%	20%	n/a	n/a
IMPLEMENTATION DATE	100%	0%	n/a	n/a	80%	20%	n/a	n/a

Our decision

We have considered the issues raised by the proposal and the Change Declaration and Change Report dated 13 June 2018. We have considered and taken into account the vote of the DCUSA Parties on the proposal which is attached to the Change Declaration. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the Applicable DCUSA Objectives;⁹ and
- directing that the modification is approved is consistent with our principal objective and statutory duties.¹⁰

Reasons for our decision

We agree with the Proposer and the conclusions of the Working Group that DCP 304 will better facilitate DCUSA General Objectives b, c and e, and has a neutral impact on the other applicable objectives.

DCUSA General Objective (b) – the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity

DCUSA General Objective (b) will be better facilitated by reducing the number of aborted meter work jobs, where under the present circumstances meter operators would have no alternative but to abort the work and contact the Supplier whose metering installation they need to work on. The introduction of DCP 304 will increase the efficiency of the smart meter rollout and also help to provide a reduction in overall costs.

DCUSA General Objective (c) - the efficient discharge by the licensee of the obligations imposed upon it by its licence

⁵ There are currently no gas supplier parties.

⁶ Distribution Network Operator

⁷ Independent Distribution Network Operator/Offshore Transmission System Operator

⁸ Distributed Generation

⁹ The Applicable DCUSA Objectives are set out in Standard Licence Condition 22.2 of the Electricity Distribution Licence.

¹⁰ The Authority's statutory duties are wider than matters that the Parties must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.

We agree with the Proposer and Working Group that the modification better facilitates DCUSA General Objective (c) by extending permissions granted to work on these metering points to any electricity supplier.

DCUSA General Objective (e) - compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators

DCUSA General Objective (e) is better facilitated by the introduction of DCP 304 by supporting the EU's requirement to install smart meters. Two main EU directives are providing the drivers for smart metering in Europe, as referenced in the European Smart Metering Landscape Report¹¹.

Related changes

We note that a related change, MOCOPA® Change Proposal CP0090M Addition to MOCOPA® Scope v3, had previously been approved by Parties to that agreement; however, this CP was rejected at the MOCOPA® RP 18-02 meeting on 27 June 2018 due to it not fully aligning with the final drafting of DCP 304. The MOCOPA® RP agreed to raise a new proposal, CP0089M Addition to MOCOPA® Scope v4, to fully align with the legal drafting of DCP 304, and this will be reissued for a vote subject to the corresponding approval of this DCUSA modification. This CP will bring in the principle of meter operators carrying out work at electricity metering points to which they are not appointed.

Decision notice

In accordance with standard licence condition 22.14 of the Electricity Distribution Licence, the Authority hereby directs that modification proposal DCP 304 - Metering Works by Non-Appointed Meter Operator be made.

Please contact Michael Walls if you have any comments in relation to this decision.

Yours faithfully,

Jacqui Russell

Head of Metering and Market Operations – Consumers and Markets

Signed on behalf of the Authority and authorised for that purpose

¹¹ https://www.sintef.no/globalassets/project/smartregions/d2.1_european-smart-metering-landscape-report_final.pdf