

UMSUG paper – National Terms of Connection Changes

1. Purpose

This document is seeking to gain UMSUG's views prior to submitting a formal change proposal to DCUSA to amend the National Terms of Connection (NTC) for unmetered customers.

2. Background

Ofgem launched a Market-wide Half Hourly Settlements (MHHS) Significant Code Review (SCR) in 2017.

The Code Change Development Group (CCDG) was established to develop, consult on and recommend solutions for the detailed areas of the Target Operating Model design which the Design Working Group (DWG) and/or Ofgem identified as outstanding when the DWG delivered its final report in August 2019. I was a member of the DWG and am a member of the CCDG.

The CCDG are identifying the changes required to relevant industry codes and subsidiary documents in order to review and consult on draft legal text developed for each Code by the relevant Code Administrators.

The review of the NTC has indicated that there is benefit in progressing with these changes in advance of the SCR formal powers. The review has identified a number of aspects that could be made in advance of the SCR to provide clarity to the current business as usual activities.

3. DCUSA requirements

The NTC sets out the default connection agreement between a customer and the relevant distribution company for each connection. The NTC form part of Schedule 2B of DCUSA, (section 4 applying to unmetered connections) and changes are governed by the DCUSA change process. Any change proposal resulting from this paper will follow the DCUSA formal change process.

The main changes (attachment 1) are to make the unmetered requirements more generic, removing wherever possible any irrelevant differences between Non Half-Hourly & Half-Hourly approaches to unmetered obligations. This ensures consistency between the two settlement arrangements and minimises the need for further change under the SCR to implement MHHS. The review also identified some obsolete legacy requirements for removal from the document.

It is anticipated that if the changes are progressed as part of business as usual activities, then such changes will not impact the work being undertaken by the SCR. Once feedback is received from UMSUG, Ofgem will determine whether such a change can be undertaken in parallel in order for a DCUSA change proposal to be considered further by the DCUSA Panel.

4. Bi-lateral agreements

It is believed that most Distributors use the NTC as the basis of their connection agreement. This facilitates consistency for customers and the ability to revise the national terms through the DCUSA governance arrangements rather than each agreement bi-laterally. It would be useful to understand any companies who use a bi-lateral agreement and underlying rationale.

5. Recommendation

The UMSUG is invited to:

- **Advise** on whether to support the proposed changes to the NTC
- **Comment** on the proposed changes
- **Comment** on whether certain Distributors utilise their own Connection Agreement rather than rely on the NTC.

Tom Chevalier

1st Sept 2020