



## DCUSA WELCOME PACK

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AN INTRODUCTION TO THE DISTRIBUTION CONNECTION  
AND USE OF SYSTEM AGREEMENT (DCUSA)

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## 1 PURPOSE

The purpose of this document is to provide new market entrants with information about the Distribution Connection and Use of System Agreement (DCUSA) and the obligations contained within it. The document sets out information regarding the governance and administration of the Agreement, including, the change control process, Party obligations and the DCUSA website.

Further information is available at [www.dcusa.co.uk](http://www.dcusa.co.uk) or via the DCUSA Helpdesk on 020 7432 3011 or [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk)

## 2 BACKGROUND TO THE DCUSA

The DCUSA was established in October 2006 as a multi-party contract between the licensed electricity Distributors, Suppliers and Generators of Great Britain. It is concerned with the use of the electricity distribution systems to transport electricity to or from connections to them. The DCUSA replaced numerous bi-lateral contracts, giving a common and consistent approach to the relationships between these Parties in the electricity industry.

It is a requirement that all licensed electricity Distribution Businesses and electricity Suppliers become Parties to the DCUSA.

Since its creation, the DCUSA has expanded to encompass Distributor to Distributor relationships and relationships with Gas Suppliers who wish to work at the customer's electricity connection point to fit communications associated with SMART gas meters. In recent years further Schedules have been added to the DCUSA that cover the Theft Risk Assessment Service (TRAS), the Energy Theft Tip-Off Service (ETTOS) and the Distribution Charging Methodologies Development Group (DCMDG).

## 3 PARTIES TO THE DCUSA

Any company holding an Electricity Supply Licence or Electricity Distribution Licence is required by Licence Condition 11, Licence Condition 22 and Licence Condition 6 respectively to accede to and comply with the provisions of the Agreement. For holders of an Electricity Generator Licence acceding to the DCUSA is optional.

A list of all current DCUSA Parties is available on the [DCUSA Website](#).

Parties accede to the DCUSA in the following categories:

- Supplier

- Distribution Network Operator (DNO)
- Independent Distribution Network Operator (IDNO)
- Offshore Transmission System Operator (OTSO)
- Distributed Generator (DG)
- Gas Supplier

For certain processes in the Agreement, Parties may also be categorised in Party Groups, including IDNO Parties and the OTSO Party within one category. IDNO Parties and the OTSO Party however may be considered separately for example in cases where IDNO Parties may be eligible to vote on a Change Proposal and the OSTO Party Vote (or vice versa).

#### 4 DCUSA PARTIES OBLIGATIONS

The table below sets out the general obligations contained within the Agreement.

Requirement	Process	Timescales /Dependencies
<p><b>Accession to DCUSA</b></p>	<p>Applicants should complete the Accession Application form available on the <a href="#">DCUSA website</a> or by contacting the <a href="#">DCUSA helpdesk</a>. The DCUSA Secretariat will submit your application to the next available DCUSA Panel for decision.</p> <p>The DCUSA Panel will check whether applicants are eligible (subject to DCUSA Clause 4.2) and whether there are any omissions within the application form/ supporting material.</p> <p>Subject to approval by the Panel, an Accession Agreement will be prepared (as per DCUSA Schedule 9) for applicants to complete. Following receipt by the Secretariat of completed Accession Agreements, DCUSA Ltd is to countersign agreements, ahead of the Secretariat issuing back to the applicant.</p>	<p>6 - 8 weeks</p>

<b>Submission of Contact Information</b>	<p>Each Party (other than DCUSA Ltd) shall appoint a Contract Manager to manage all matters arising under or in connection with this Agreement and to monitor the general operation of this Agreement.</p> <p>Each Party shall also complete DCUSA Schedule 11 upon Accession to the agreement in order for the Secretariat to hold Party details. Parties are required to ensure the Secretariat is notified of any changes.</p>	<p>Upon accession to DCUSA and when required.</p>
<b>Supply Point Reporting</b>	<p>DNOs and IDNOs are required to provide a report of the aggregate number of Metering Points each Party has on its MPAS Registration systems and the number of Metering Points registered to each Supplier Party across its MPAS Registration System.</p>	<p>Report to be provided within 21 Working Days of the 15<sup>th</sup> day in each calendar month.</p>

Further information on any of the processes set out above is available from the **DCUSA Helpdesk**.

## 5 CONTRACT MANAGERS AND PARTY REPRESENTATIVES

All DCUSA Parties are required to nominate a Contract Manager as the primary point of contact for any DCUSA matters. DCUSA Contract Managers are invited to respond to Consultations and Requests For Information, vote on Change Reports, be notified when approved changes have been implemented, offered to represent on Parties DCUSA derogations applications and they are the point of contact for any issues that DCUSA Parties may raise with their company under DCUSA. A Parties contact list is downloadable from the DCUSA website. This list is used frequently by Parties to help conduct their business as the list is up to date as all Suppliers and Distributor being required to accede to the DCUSA.

Parties are required to notify the Secretariat of any changes to the Contact Manager or organisational details.

## 6 FUNDING

The costs associated with the operation of the DCUSA (including costs incurred by the Panel, the Panel Secretary, any Working Group, the Secretariat or DCUSA Ltd) is funded by DCUSA Parties. The default funding mechanism is each DG and the OTSO Party and each Gas Supply Party is not required to share the recovery of costs.

Supplier, DNO and IDNO Party costs are however determined by a market share model defined by each share of the total number of Metering Points in the market, where Distribution Businesses and Suppliers' share is 50% of costs collectively (not including Theft related costs). Suppliers are required to pick up 100% of Theft related costs, which are allocated on a market share basis.

The DCUSA budget is circulated to all parties for 20 Working Days before the Panel is to consider any comments from Parties prior to any amendment and approval. Parties are invoiced quarterly in advance for the agreed budget values. Invoices are raised to funding Parties in April, July, October and January in each financial year. The DCUSA financial year end is 31st March.

## 7 GOVERNANCE

The Agreement covers a number of industry processes and rules. The administration of the Agreement is overseen by Ofgem and any decision taken by the DCUSA Panel can ultimately be appealed to the Authority.

The DCUSA is a designated document under the Energy Act 2004 and Parties have the right to appeal Ofgem decisions in the event where Ofgem does not consent to a Change Proposal in DCUSA to the Competition Commission in accordance with the Act.

### 7.1 Panel and Board

The DCUSA Panel is responsible for matters relating to the DCUSA document including progressing proposed changes to the agreement and the day to day operations. Panel members are elected from within the industry.

Panel members are also Board members for DCUSA Ltd. The Board is responsible for overseeing matters related to DCUSA Ltd.

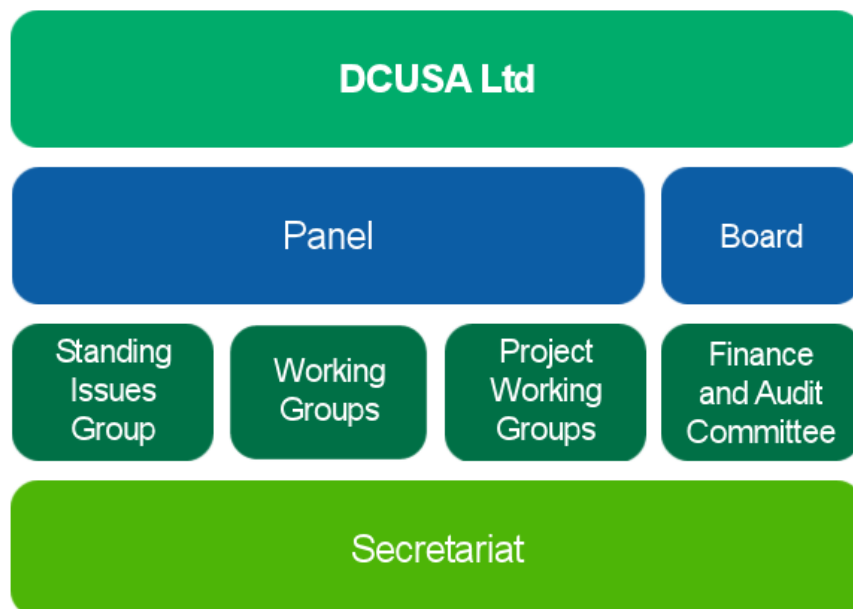
Panel and Board meetings are held on a monthly basis. Any Party can attend the open session of the Panel with advance notice to the Secretary. All open papers and minutes from DCUSA Panel meetings are published on the DCUSA website.

## 7.2 Working Groups and Sub-Groups

To assist in their work, the Panel and Board may establish Working Groups and sub groups. Working Groups comprising of experts from within the industry are regularly established to discuss and develop DCUSA Change Proposals. The Panel may also establish Working Groups via the submission of a change, for example the TRAS Project Working Group, to monitor and devise solutions for broader developments and challenges.

The Standing Issues Group (SIG) is established by the DCUSA document. An example of a Board Sub-Committee is the Finance and Audit Committee (FAC), which advises on issues related to the DCUSA budget and audits.

A diagram of the governance components of DCUSA is presented below:



## 7.3 Secretariat

The daily operation of the DCUSA arrangements are assisted by the Secretariat. The Secretariat service is delivered by ElectraLink Limited. ElectraLink Limited is required to deliver the service in accordance with agreed performance targets and service levels. ElectraLink Limited delivers a monthly performance report to the DCUSA Panel and carries out an annual customer satisfaction survey to ensure the delivery of a quality service.

Further information about ElectraLink Limited is available on the [ElectraLink Website](#).

## 8 AGREEMENT AND ASSOCIATED DOCUMENTS

A summary of the industry processes contained within the DCUSA is listed below:

- Governance and Change Control (Section 1)
- Distributor to Supplier/Generator Relationships (Section 2A)
- Distributor to Distributor/OTSO Relationships (Section 2B)
- Distributor to Gas Supplier Relationships (Section 2C)
- Electricity Supplier to Gas Supplier Relationships (Section 2D)
- General Provisions (Section 3)

The Agreement's Schedules also contain various industry processes and rules, which for example include:

- National Terms of Connection
- Theft Risk Assessment Service
- Bilateral Connection Agreements
- Common Distribution Charging Methodology
- EHV Distribution Charging Methodology
- Revenue Protection Code of Practice

The full agreement can be found on the [DCUSA website](#).

## 9 DCUSA CHANGE PROCESS

The DCUSA Change Control process is set out in Sections 9, 10, 11 and 12 of the Agreement. The Change Control process allows any Party to the Agreement, the Consumer Body and the National Electricity

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Transmission System Operator to raise a Change Proposal to amend the existing drafting or introduce new drafting of the Agreement and its Schedules.

The Secretariat may refuse to accept the submission of a Change Proposal where it does not contain sufficient information (as listed in DCUSA Clause 10.4) Except where the Secretariat refuses a Change Proposal, Change Proposals are issued to the DCUSA Panel on a monthly basis.

Where the Panel accepts the referral of a Change Proposal, it will ensure the Change Proposal is subjected to a process of assessment which includes the Secretariat issuing the Change Proposal to all Parties to the Agreement, the Consumer Body, the National Electricity Transmission System and the Authority.

The Panel may also determine a Change proposal should be subject to the Definition Procedure where a Working Group may be established to further consider the solution.

Despite whether a Change Proposal is subject to the Definition Procedure or Assessment Process, the Secretariat will submit a written Change Report for each Change Proposal to the Panel. The DCUSA Panel will then decide whether the content of the change report is fit for submission to Parties and decide which Parties vote on this change, in accordance with DCUSA Clause 12.

The vote of each Group of parties shall be allocated a weighting expressed as a percentage of the votes of all the Groups with the same Party Category.

Change Proposals are categorised as either Part 1 Matters or Part 2 Matters. Change Proposals which fall under the category of Part 1 Matters require Authority approval ahead of implementation. Part 2 Matters are subject to self-governance and do not require the prior approval by the Authority. Part 2 Matter decisions by the Panel can be appealed to the Authority.

## 10 DCUSA EVENT OF DEFAULT PROCESS

The Event of Default process is set out in Clause 54 of the DCUSA.

## 11 DCUSA WEBSITE

The DCUSA website is located at [www.dcusa.co.uk](http://www.dcusa.co.uk). The website is divided in to 2 sections – the public facing site which has open access and a member's area which requires a username and password to gain access.

Any Party is able to obtain a username and password to gain access to the members area by 'Becoming a Registered User' on the website. A series of guidelines providing information on DCUSA processes are also available to download on the DCUSA website, within the **'Documents'** area.

There is also a webchat function available with the ability for real time conversations and the option to leave messages.

## **12 DCUSA HELPDESK**

The DCUSA Helpdesk is available from 9.00am – 5.00pm Monday to Friday on 020 7432 3011 or **DCUSA@electralink.co.uk**.

The DCUSA Helpdesk will be able to provide assistance with any queries relating to the administration of the Agreement, including queries regarding accession, the change process.