

**Unconfirmed Minutes of UCCG meeting held at NDS, Unit B, Great Central Way, Rugby CV21 3XH
on Tuesday 8th March 2011, commencing 10.00 am**

Present:

Mike Barnard	Schneider Electric Energy UK
Chris Bean	POC (Chair MCCG)
Simon Beveridge	PJDS
Steve Bolland	Amey (Chair)
Sean Conway	NDS
Mark Evans	SSE Contracting
Chris Murphy	Skanska
Gareth Pritchard	ASLEC - UCCG
Chris Roe	e-on Highways Lighting
Graham Smith	May Gurney Cartledge
Bob Stevenson	Sheffield CC

1. **Apologies for absence** – received from David Cox, Tim Edwards, Mel Harwood, Mike Stephens

2. **Notes of Previous Meeting and Matters Arising** - last minutes 9th Sept 2010. No matters arising not on agenda

3. ECSG Report, ToR and constitution

3.1 **Report from ECSG** – ECSG020211minutes discussed at the meeting; to be circulated with these minutes

3.2 **Update on changes to ECSG ToR and constitution** – Steve Bolland made a short presentation on the changes to the ECSG ToR and constitution advising the meeting of Ofgem’s wish to streamline the ECSG and use the UCCG/MCCG, together with the DNO (IDNO?) group as conduits; with the groups liaising, and with Working Groups set up as required to carry out specific tasks

3.3 **ASLEC / UCCG representatives on ECSG** – after much discussion, it was confirmed that the preferred position would be for two representatives from UCCG and one from ASLEC; however it was recognised that space may be limited, in which case the fall back position would be that the UCCG representatives would be Steve Bolland (Chair UCCG) and Gareth Pritchard (Chief Executive ASLEC, Secretary UCCG) with the UCCG reserving the right to put forward alternatives, and shadowing for 6-9 months should representatives wish to stand down. The aim being that both the Customer and the ICP position should be represented. **Action: Gareth to confirm to ECSG by 14th March**

3.4 **DNO position on Barriers to Competition** – response to ECSG by 11th March: The previously circulated paper was discussed with the following points being made:

<p>1. Availability of Information</p>	<ul style="list-style-type: none"> • WPD and SP OK • CN – was OK, but their Webmap is slower with reduced quality (indications are a change from 15 m ins to access previously to ~1 hr) • CE – poor – paper only • UKPN – poor – paper only and alleged issues from them over access due to “copyright” • Has Ofgem carried out its own checks / audits on the statements / websites?
<p>2. Adoption Agreement Security Arrangements</p>	<ul style="list-style-type: none"> • It is believed that CN are applying bonds as a norm (incident of 2 bonds being applied for the same job, with ~£10k difference between them)

3. DNO Inspection and Monitoring Practices	<ul style="list-style-type: none"> • SSE Contracting, acting as ICP, has introduced a job sheet form for the DNO auditor to sign to provide audit trail • Incidences of audits being billed, and not being carried out • SSE Contracting, as ICP, being billed <i>after</i> audits being carried out; others being billed in advance • Little standardisation across DNOs in terms of inspection regimes, staging and charges. The UCCG believes some charges are unreasonable and unfair: <ul style="list-style-type: none"> ○ UKPN charging addition £18 admin fee per connection ○ SP charge £30 per connection up to a maximum of 10 connections which includes audit / site visits – on a sliding scale ○ ENW charge £30 per connection – on all connections no maximum - which includes audit / site visits – on a sliding scale
4. Connection Agreements – types and standard terms	<ul style="list-style-type: none"> • The UCCG recommendation is that bilateral agreements only should be used (tri-partite agreements have no benefit, with difficulties with client being party to this). CN have got this right. • The “1m rule” appears in templates, but does not appear to be being applied. However such terms should not be in the agreement in the first place
5. Letters of authority	<ul style="list-style-type: none"> • DNOs do ask for this – in particular UKPN asks for letters of authority
6. Service timeframes (other)	<ul style="list-style-type: none"> • One DNO did not respond for 6 weeks on an enquiry (CE) • Site specific permissions, design approval not included in un-metered connections – suggest 5 days
7. Service timeframes (SLC 15)	<ul style="list-style-type: none"> • There appears to be inconsistencies in these across DNOs
8. Developing ongoing relationships	No comment at this stage
9. Scope of unmetered contestable works	<ul style="list-style-type: none"> • EoC – lv overhead lines covered in ENA report and needs to be expedited
10. Legals process	<ul style="list-style-type: none"> • Lack of consistency across DNOs; some DNOs insist on solicitors signing up to the agreement and over-legalise the process – in particular UKPN
11. Difference in non-contestable charges between S16 and competitive quotations	<ul style="list-style-type: none"> • UKPN charging £18 administrative fee per connection in addition to other (e.g. audit) costs
12. Design approval	Not used often currently in un-metered sector. Will become more important if EoC is implemented
13. Dispute resolution	No comment at this stage

The general view of UCCG members is that DNO's are still not prepared to acknowledge that there is much more they could do to facilitate competition and that they are out of touch with ICP/customers real experiences when seeking to access the competitive connections market. A good example of this is DNO's stated commitment to extending competition and facilitating trials, none of which now look likely to start before the end of March 2011.

UCCG members would welcome further opportunity to express and expand on their specific concerns to Ofgem, about barriers to competition within each DNO.

3.5 UCCG ToR and working groups – it was agreed that there was no requirement to amend the UCCG ToR. It was noted that specific work issues would be dealt with where required through UCCG Working Groups.

3.6 2010 CIR Report - Steve Bolland presented the underlying figures from DNO's which Ofgem have used to derive a view that “9%” of 147,000 unmetered connections were delivered by ICP's. UCCG dispute the figures from UKPN. From collective experience, UCCG do not believe this level of ICP activity took place within UKPN in the year to April 2010. UCCG is concerned that Ofgem have published a report alleging a level of activity

with apparently no cross-checks or auditing before placing it in the public domain. It should be noted that CN, ENW and YEDL who reported no unmetered ICP activity all had live jointing trials at this time and therefore their figures are also disputed

4. DPCR 5 Implementation

4.1 Application of Regulated Margin and potential un-regulated margin

4.1.1 UCCG believe the 4% margin should be transparent to customers on all quotations rather than just hidden on their websites.

4.1.2 UCCG believe that Ofgem should demand and check that DNO price increases are cost reflective before margin is added. DNO's should provide base materials and labour costs and oncosts / overheads evidence when proposing price changes to customers, when challenged by customers under a dispute and when seeking to justify with Ofgem any price increases.

4.1.2 UCCG believe that any move to unregulated margin must be preceded by customer consultation (including customer groups such as MCCG, UCCG) which should give support to the DNO's case.

4.2 GSoPs

4.2.1 Concern was expressed over the 115% volume exemption, and the fact that this is being applied, for example in a PFI, to exempt the majority of work outside the GSoPs

4.2.2 Generally DNOs are not communicating well with customers - generally communicating by exception on failures to meet GSoPs, rather than proactive holistic communication (notable exception to this being CE).

4.2.3 UCCG members want Ofgem to conduct a formal review of unmetered GSoPs implementation in April / May with enough notice that a comprehensive survey of customers can be designed, implemented and responses collated.

4.3 Extension of Competition in Connections

4.3.1 Whilst it was noted that a number of DNOs have stated their intention to implement trials in March 2011, the general experience is that DNOs appear to be putting barriers into place, citing legal and commercial issues and lack of procedures, documentation as reasons.

4.3.2 ENW have stated there are issues with liability which need to be resolved with HSE (HSE was party to the ENA report which indicated no "show stoppers")

4.3.3 UKPN have stated they have licence issues with releasing mains records data on OS maps

4.3.4 UCCG re-confirmed that they wish to see connections to lv overhead line mains disconnections included in EoC.

4.3.5 One DNO (CE Electric) had entered into discussions with a local authority about allowing LA Electricians to have the necessary competences to undertake some live "make safe" activities but this has not progressed to anything yet

5. NERS Update

5.1 **Report from NERSAP** – next user meeting 15th March; next Panel meeting 29th March

5.2 New scopes for Extension of Competition – structure and potential costs

Concern was expressed over feedback from Lloyds on their potential charges – with some inconsistency in approach. Lloyd's charges should reflect the scope of the additional works (e.g. if live jointing already approved, why is there a need for a full additional charge), with co-ordination of the desk-top audit and a charge per visit methodology covering multiple scopes

5.3 ASLEC / UCCG seat on NERSAP

The UCCG confirmed that they would wish to be represented on the NERSAP Panel formally.

6. MCCG Update

6.1 Report from MCCG – Chris Bean confirmed that the key areas of concern of the MCCG, relevant to the un-metered sector, mirrored the discussions taking place within the UCCG.

7. Other UCCG Matters:

7.1 UCCG - DNO Questionnaire

7.1.1 It was agreed that the current questions would be circulated with a request for any changes / additions. **Action: Gareth**

7.1.2 It was agreed that the proposed MCCG questionnaire – which also deals with customer perceptions of DNO performance – should be made available and reviewed to inform any changes to the UCCG questionnaire

7.1.3 500w Rule – UCCG Paper to be produced for ECGS setting out 500w rule approach and typical scenarios. It was agreed that Gareth, Simon, Chris, Tim Edwards and Bob Stevenson would discuss the scenarios by email and formulate a paper for the ECGS. It was noted that there needed to be a 13 digit Elexon code in existence for unmetered connections to be applied in practice. (It was further noted that ADEPT also have an interest in the “500W rule”) – **Action Gareth**

7.2 **Extension of Competition** - Member feedback on trials – see 4.3 above

7.3 **UKPN Draft Technical Policy** – Member comments – e.g.

7.3.1 Permanent disconnections back to the LV mains – it is believed that UKPN and their sub-contractors do not carry this out as a matter of course. Specific examples needed if this is to be pursued

7.3.2 Betterment to system at customer cost – concern was expressed over this – particularly in respect to 5th cores and SWA. Action Steve to review UKPN response to customer consultation feedback and report back to UCCG.

7.3.4 Earth loop impedance limits – (Note ENA ER P23). Concern was expressed over the relaxation of ELI values proposed in the UKPN document. Sample calculations to be carried out to determine the impact. Actions Gareth to review

8. Any other business

8.1 It was agreed that at the next meeting, the survey results should be available for discussion. In addition the issue of lack of consistency in defined areas across DNOs should be explored further.

8.2 Double pole cutouts – Steve Bolland covered this in his presentation. It appears ENA believe that there are no reasons why these cannot be used, providing the neutral breaks last and makes first. Individual organisations to take this up as they see fit.

8.3 Concern was expressed over changes by one DNO to its charging structure, changing for emergency attendance under GSOP's from a scheduled rate to a time and materials basis resulting in the price charged going from ~£120 to ~£500. Members advised by Steve to follow DNO disputes procedure which if unresolved would lead to an Ofgem investigation.

9. **Date of Next Meeting(s) – 22nd June (venue tba – Ofgem?); 8th September; 16th November**