

Ofgem Connections Steering Group
Minutes for 13th Meeting 28 November 2002
9 Millbank, London, SW1P 3GE.

PRESENT:	Kiera Bower (minutes)	Ofgem
	Sean O'Hara (Chair)	Ofgem
	Andrew Dunkley	HSE
	Richard Smith	Aquila Networks
	Mike Scowcroft	Core Utility Solutions
	Ray Farrow	House Builders Federation
	Vince Colby	McNicholas plc
	Jim Johnston	
	David Clare	Mowlem
	Paul Clark	Scottish and Southern Energy (SSE)
	Philip West	Western Power Distribution
Apologies:	Kevin Morton	London Power Networks
	Helen Connolly	Ofgem
	John Benson	Ofgem

1. Minutes of previous meeting/ matters arising.

The minutes of the last meeting were accepted as a true record.

2. Matters arising from the Ofgem final proposals document

Background: Ofgem issued its final proposals document 'Competition in connections to electricity distribution systems' in August 2002.

Discussion:

a) Document's purpose: DNOs stated that Ofgem needed to make the status of the document clear. Some DNOs believed the document was a consultation rather than a decision document. SO'H stated that the timetable in the document set out what was expected and by when but agreed to write to each DNO asking for each DNO's position in relation to progress against the timetable.

b) Drafting issues: The point was made that the sentence on page ii of the executive summary, 'Initially, Ofgem's proposals relate to new domestic/ light commercial

developments' was inaccurate as the ECSG had previously decided that the focus would be on greenfield sites including all new site works associated with that, which may include HV. (ECSG1 minutes)

Management board: The point was made that the reference to the management board on page 9 of the document could become confused with the management board relating to the registration scheme. It was agreed to confirm via the minutes that these were two totally separate management boards and that terms of reference for the framework document management board would be subject to later discussion by the ECSG.

Multiple connection quotations: The point was made that there was inconsistency between the Licence Condition 4 charging statement template and the document itself regarding the charging suggestions for multiple quotations for the same site. SO'H agreed to mention in his letter to the DNOs that if a DNO chose to recover the cost of multiple connection quotations as a single charge, not an overhead, then it should include the charge in its Licence Condition 4 statement.

Adoption agreement: Ofgem confirmed that the ECSG guidelines for adoption agreements were complete and that DNOs should be reviewing and amending their agreements in light of these guidelines.

Decision/ Action: Ofgem will write out to each DNO with the timetable, as set out on page 38 of the document, to establish each DNO's position in relation to the guidance produced by the ECSG. This letter would confirm Ofgem's position that DNOs should not delay in introducing elements of the timetable in order to introduce every element of the timetable simultaneously. For example, the Licence Condition 4 template and the framework documents are not reliant on any other documents and can be made available now or in the very near future. Ofgem will then produce a flyer similar to the rent-a-jointer flyer (available on the Ofgem website under UCSG 15) to update the industry on each DNO's position regarding competition in connections.

3. Issues raised in the timetable of the document as being for the ECSG to take forward

A: Licence Condition 4 template

Decision/ Action: Ofgem expects all DNOs to produce revised statements broadly in line with the template and in accordance with their licence obligations. SO'H will confirm this in his letter to the DNOs, as mentioned in 2 above.

B: Provision of information and standards of service

Background: Ofgem has received comments on poor levels of service provided by DNOs regarding length of timescales for producing non-contestable quotations and point of connection information.

Discussion: One DNO reiterated the points made at the last meeting (ECSG 12) that the number of standards of service was disproportionate to other areas of distribution business activities. Ofgem's view is clearly set out in the final proposals document. Ofgem made the point that these standards may only be required in the short term if the results indicate that DNOs' performance is satisfactory. New entrants reaffirmed their belief that the full package of standards was required.

Decision/ Action: SO'H will be requesting data from each DNO in relation to the standards of performance in his letter.

C: Inspection regime to be finalised by ECSG

Background: Ofgem's view is set out in the final proposals document.

Discussion: DNOs stated that a new national inspection regime could not be progressed until the terms of reference for the management board for the national registration scheme were decided. DC had produced an update on the draft inspection regime from the New Entrants perspective (ECSG 41). This was circulated and would be discussed at the next meeting.

Decision/ Action: SO'H stated that all DNOs should have an inspection process in place for their existing contractors now. SO'H would be asking for details of each DNO's existing inspection regime in his letter as mentioned in 2 above.

D: Management board (Framework documents):

See 2 above.

E: National Registration Scheme:

Background: At the last meeting Ofgem agreed to contact Lloyds for an update on the registration scheme.

Discussion: Management Board: SO'H reported that he understood the EA was now of the view that the EA should manage the registration scheme. This would reflect the situation in the gas industry where the gas transporters introduced/ manage the Gas Industry Registration Scheme. Therefore the EA would manage the management board with the day-to-day registration process carried out by Lloyds/ any other registration body. SO'H was waiting for formal confirmation from the EA that this was the case. The work of the UCSG would also need to be included in the creation of the management board.

Registration scheme: Lloyds has confirmed that it is operating its existing scheme until the proposed scheme is finalised and/ or the management board is in place. Another certification body has also suggested it may be interested in running a registration scheme. Ofgem welcomed the possibility of a choice of registration provider being available.

Employee Passport scheme: A question was raised as to whether this scheme was still going ahead. SO'H confirmed that the ETA was taking this scheme forward. There had been a delay due to the ETA having to assess/ register several thousand doorstep salesmen. Blane Judd at the ETA (02079635832) was the appropriate contact for further details.

Decision/ Action: Management Board: SO'H to write to EA for confirmation on the above. The group agreed that terms of reference were needed for the management board. The UCSG draft scheme would be a useful starting point for the new management board. SO'H would also ask the EA for its proposals regarding terms of reference for the board and ask for the terms of reference for the existing EA sub-committee which deals with issues relating to the existing Lloyds scheme. Ofgem will circulate this information to the group.

Employee Passport scheme: SO'H to contact the ETA and Lloyds to provide an update at the next meeting to ensure the two organisations are aware of the others' work.

Other: SO'H will also raise within Ofgem the issue of the 'governance of industry standards' policy will not affect the documents produced by the ECSG.

4. Electrical Safety, Quality and Continuity Regulations.

Background: DTI published the regulations in November 2002 (due to take effect 1 April 2003). The DTI press release stated that the regulations are intended to enable competition in connections. The DTI has agreed to a tri-partite meeting with Ofgem and the DNOs to discuss any concerns which may still exist in relation to the regulations allowing competition in connections.

Discussion/ Decision: The EA is in the process of preparing suggested re-drafting of the appropriate sections which are still of concern to DNOs. Once this is complete, a meeting with DTI will be arranged.

5. Minimum scheme design.

Background: This issue was raised at last meeting (see ECSG 12)

Decision: SO'H confirmed he had completed his action and had raised the issue within Ofgem.

6. Any Other Business

A) Background: Technical framework documents not being made publicly available. The DNOs present stated that the technical framework documents would be made available to anyone requesting them or via their website and that Ofgem should chase individual DNOs who were not doing so. Ofgem stressed that all DNOs should publish the documents on their website as soon as possible. One DNO made the point that the size of the document was causing IT problems. SO'H suggested that if IT problems existed the minimum that DNOs should do is to provide contact details on their website from where paper copies can be obtained.

B) Background: DNO sub-contracting.

Discussion: A DNO raised the following issue: if a new entrant had won a contract to do contestable works but could not then get a competent jointer to complete the works and as a result asked the DNO for a jointer then could the DNO charge full market rates for that jointer. In principle it was agreed that this was correct. SO'H stated that if situations arose where new entrants were blocked from using contractors approved in that DNO's area (by the DNO threatening to withdraw its custom from the contractor) then new entrants should refer the job to Ofgem for consideration as to whether the action was anti-competitive.

C) Background: Live working trial

SO'H confirmed that a live jointing trial was planned for January 2003 in Scottish Power/ Manweb's areas with other DNOs preparing for a trial later in 2003. The New entrant jointers in the trial had all received instruction in the Scottish Power safety rules/ procedures.

7. Date of next meeting

Tuesday 11 February 2003.