

**Ofgem Connections Steering Group**  
**Minutes for 14<sup>th</sup> Meeting 11 February 2003**  
**9 Millbank, London, SW1P 3GE.**

PRESENT:	John Benson	Ofgem (Technical)
	Kiera Bower (minutes)	Ofgem
	Helen Connolly	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

**1. Minutes of previous meeting/ matters arising.**

It was felt that the footnote to item 6(b) of the minutes was not appropriate. It was agreed this footnote would be removed. Other than this point the minutes of the last meeting were accepted as a true record.

**2. Progress of competition in connections**

Background: At the last meeting, Ofgem agreed to write to each DNO to establish its position regarding competition in connections. Ofgem also wished to establish each DNO's progress in implementing the issues set out in the timetable on page 38 of Ofgem's final proposals document 'Competition in connections to electricity distribution systems'. Ofgem received responses from all DNOs and has collated the responses into a matrix which will be placed on the Ofgem website at a future date. This was not circulated to the group because Ofgem felt it was sensible to

allow each DNO to check the contents of its own section of the matrix to ensure the DNOs' responses had not been misinterpreted.

Discussion: The point was made that care needs to be taken in how the information in the matrix is presented. For example, a status report of the Lloyds registration scheme should be published alongside, as some elements of DNOs' responses are dependent on nature of the Lloyds registration scheme, e.g. Lloyds' proposed inspection regime.

Decision/ Action: Ofgem will circulate the proposed format of the matrix to the ECSG next week. Ofgem will contact each DNO to check Ofgem's interpretation is correct. Ofgem will then publish the update on the webpage.

### **3. National Registration Scheme**

#### **A: Management Group**

Background: Ofgem did not circulate the EA's proposed terms of reference for the management group, as Ofgem had not received the latest version. Ofgem circulated copies of UCSG 20 before the meeting for the ECSG's information.

Discussion: SO'H explained he had met with the EA to discuss the task of setting up a management group for the Lloyds registration scheme. The meeting discussed the remit and composition of the group. It was broadly agreed at that meeting that that the group should consist of four to five DNO representatives, an Ofgem representative and a new entrant representative. The group would meet quarterly to review rejections and suspensions from the registration scheme.

SO'H went on to explain that the Lloyds scheme would not overrule a DNO's right to refuse to adopt work if it is not fit for purpose. However, the DNO would need to have good reason for a refusal as Ofgem would investigate such refusals if a new entrant made a complaint about anti-competitive behaviour.

It was agreed that the Lloyds scheme and management group was important to progress as it greatly assists competition in connections moving forward.

Decision/ Action: Ofgem would circulate the EA's proposed terms of reference for the management group. SO'H will arrange a meeting between the ECSG, EA and Lloyds to discuss the management group. After the meeting SO'H arranged the meeting between ECSG, EA and Lloyds for the 27 February 2003 from 9.30am to be hosted by Ofgem. Ofgem is also considering holding a connections workshop to allow all DNOs and other stakeholders the opportunity to discuss the work of the ECSG.

## **B: Employee Passport Scheme**

Background: Details of the ETA's RESETS scheme were circulated to the ECSG for information prior to the meeting.

Discussion: SO'H explained that there had been a slight delay in the RESETS scheme due to the ETA having to register all doorstep salesmen. SO'H also explained that the RESETS scheme replaced the INDAS scheme. INDAS and the EA had combined their schemes to establish RESETS. The RESETS scheme would not be compulsory and could be very wide ranging to register everyone down to administration staff or very specific to the registration of jointers and designers. Both DNO and new entrant representatives questioned the need for such a wide ranging system; it would be up to the industry and individual companies to decide what level of employee registration it required.

## **C: Inspection regime**

Background: DC circulated a draft inspection regime that reflected the new entrant's side (ECSG42) at the last meeting.

Discussion: Ofgem's position is set out in the final proposals document 'Competition in connections to electricity distribution systems'. Ofgem would investigate the reasonableness of a DNO's inspection regime and charges associated with it if a new entrant complains it is unreasonable. A DNO made the point that if a developer requests a quotation from a DNO, the DNO would be basing its quotation on an assumption of the contractors grading. It was agreed that this would occur and the inspection charging rate could change when a developer assigns a contractor. A new entrant made the point that a DNO should be able to inspect a contractor's work at any time during the job, but at its own cost. The new entrant argued that as contractors will be required to be Lloyds registered and jointers will have RESETS accreditation a DNO should not charge for the inspection of a registered contractors work because it should be confident about the quality of the work done.

Decision/ Action: DNOs to wait to see what the Lloyds registration scheme proposes in relation to inspection prior to deciding the level of inspection to be undertaken by DNOs.

## **D: Governance of industry standards:**

Background: At the last meeting a question was raised as to whether the documents produced by the ECSG would be affected by the governance of industry standards policy.

Discussion: SO'H stated he had raised the issue internally within Ofgem and Ofgem's view was that the documents produced by the ECSG would not be affected. The DNOs queried this as the issue of governance of industry standards was still under discussion. SO'H did not feel it would be a problem but agreed to check and inform the ECSG.

Decision/ Action: SO'H to check again whether the ECSG documents would be affected.

#### **4. Electrical Safety, Quality and Continuity Regulations.**

Background: The DTI published the regulations in November 2002 (which came into effect on 31 January 2003). The DTI press release stated that the regulations are intended to enable competition in connections. The DTI agreed to a tri-partite meeting with Ofgem and the HSE to discuss any concerns which may still exist in relation to the regulations allowing competition in connections. At this meeting the DTI had comprehensively rebutted all of the EA points of concern which the EA had raised with Ofgem. Since the meeting the EA had put its points of concern direct to the DTI. The DTI are now drafting an official response to the EA. This should be sent in the next few weeks.

Decision: DTI's response to the EA is required before DNOs will reassess their position regarding the regulations.

#### **5. Live working trial**

Background: DC confirmed that the live jointing trial had commenced in Scottish Power/ Manweb's areas. The new entrant jointers in the trial had all received instruction in the Scottish Power safety rules/procedures.

#### **6. Extension of competition in connections**

Background: Views were invited on what work would be required to enable competition in connections to be extended to brownfield (previously developed) and industrial and commercial (I&C) (up to 11kV) sites.

Discussion: The main problems lay in timeliness of information being provided and the specifications required. For previously developed sites, the contaminated land act would also need to be considered. It was agreed that to extend competition would require consideration of standards of service, adoption agreements, amendment to the national and regional framework documents and the non

contestable and contestable split. There was some discussion as to the issue of whether it would be appropriate to make design up to 11kV contestable but no decision was taken.

Decision: It was agreed a sub group should be set up to consider the changes required to documentation to enable competition to be extended. It was also agreed that the issue should be put to the EA support group for debate.

Action: The sub group consisting of Jim Johnston, Vince Colby, Phil West and another DNO is to consider the changes required to documentation to enable competition to be extended. The sub group is also to produce an agenda item for the EA support group meeting on 6 March to stimulate discussion on this issue.

## **7. Any other business**

Distributed generation -Background: SO'H said there was a need to ensure that distributed generation was not overlooked by the ECSG. There is a distributed generation working group (DGWG) and it was agreed that liaison between the ECSG and DGWG would be helpful to ensure there is consistency in approach. For example, there may be a need for DNO specific distributed generation modules under the framework documents.

Decision: Circulate the framework documents to the DGWG for its consideration. Any requirements for distributed generation can then be bolted on to the documents by the DGWG.

Action: SO'H to pass the framework document to the relevant work stream of the DGWG.

Framework documents - Background: PW had updated the framework documents in light of the ESQC regulations. New entrants said they were content with the changes. PW was thanked for his ongoing work in this area.

## **8. Date of next meeting**

Tuesday 25 March 2003.