

Final Version

Ofgem Electricity Connections Steering Group (ECSG)

3rd Meeting – 8 March 2004 at 10:30 9 Millbank, London, SW1P 3GE

PRESENT:	Sean O'Hara	Ofgem (Chairman)
	James Copeland	Ofgem
	Julie Doshi	Ofgem (Minutes)
	Jeff Hunt	Scottish Power (Chair of the ENA Group)
	Phil West	WPD (Member of the ENA group)
	Vince Colby	Chair of the metered connections customer group
	Vas Siantonas	ASLEC (Chair of the unmetered connections customer group)
	Ray Farrow	House Builders Federation
	Tony Stephens	The Institution of Lighting Engineers
	Lee Evans	Department for Transport Lighting Board

1. Minutes of previous meeting

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

2. Matter arising from the minutes of previous meeting

No matters arising.

3. Discussion of the ENA Report

Ofgem proposed that the report provided by the ENA Group would be considered by the ECSG and Ofgem would formally consult. The consultation would seek the views of the Distribution Network Operators (DNOs), Metered Connections Customer Group, Unmetered Connections Customer Group and wider stakeholders.

A customer group representative sought assurances that the principles outlined within the August 2002 Final Proposals document were still relevant, except where changes had to be made in light of the ESQC Regulations. Ofgem confirmed that the principles outlined within the Final Proposals document still stood.

The DNO representative emphasised that although DNOs through the Working Group, had collaborated in good faith to develop the ENA report for the ECSG, it had not been possible in some areas to achieve unanimity of opinion on all issues. In the interest of making progress a consensus view has therefore been presented and the ECSG was informed that each individual DNO does not necessarily support every aspect of the report. It was essential that Ofgem complete a formal consultation to enable DNOs and other interested stakeholders to express their own individual views.

I. Unmetered Connections Service Level Agreement (SLA)

The document presented included key terms and conditions of a national SLA together with proposed service standards. The document stopped short of proposing targets and penalties against the standards. It was suggested by the DNO representative that in order to establish appropriate targets, a 'bedding-in' period of 12-18 months without penalties should be allowed during which performance against the standards would be monitored. Having assessed performance during this period it would then be possible for Ofgem to set realistic targets.

The ECSG considered the relative merits of national, DNO specific, rural/urban targets etc. DNOs expressed concern that if national targets were based on frontier performance against each standard this would result in increased costs for many DNOs which would need to be funded by customers.

The ILE member said that some Highway Authorities (HAs) did not support the implementation of an SLA for two reasons. Firstly, some HAs believe that the introduction of an SLA will result in the development of competition within the unmetered sector being prevented and secondly, in some cases the implementation of an SLA will result in targets being 'dumbed down' from standards already being achieved in certain DNO areas.

It was agreed that if HAs signed up to a SLA then this would not prevent them from exploiting developments in competition at the same time. The DNO representatives agreed to amend the SLA to make this clear. The forthcoming consultation would include the unmetered SLA and a separate table of include proposals for targets/penalties which would be drawn up by the Unmetered Connections Customer Group. It was felt that it would be appropriate if targets etc were negotiated on a local level, which would allow HAs and DNOs to agree what best suited their purposes.

ACTION: VS to consult with Unmetered Connections Customer Group to devise targets and penalty charges for the SLA.

II. UMS Contract – Triangular Arrangements

It was highlighted that this issue had generated a lot of debate between DNOs and consequently the proposals document outlines very high level principles. It was confirmed that the proposals brought to the group were restricted to work

on underground service cables to unmetered, single phase 230V connections more than 1 metre from the main cable as measured along the service cable and included all types of service cable i.e. plastic, lead etc.

ACTION: VS to consult with Unmetered Connections Customer Group to provide editorial comments to JH.

LUNCH - At this point LE and TS left the meeting

III. Consent to Connect

It was confirmed that this document had not altered in any significant way since the previous meeting. Three options were considered:

- Adopt immediately upon connection (i.e. making live);
- Adoption after post energisation commissioning (usually same day as physical connection); and
- Adopting a network at the end of the development

A risk assessment of each of the options was undertaken and it was felt that adoption immediately upon connection (i.e. making live) was the best option, particularly in respect of compliance with Regulation 25 of the ESQC regulations which states that consent to connect can not be unreasonably denied. The view of the DNOs was that the process for this option was straight forward.

It was highlighted by a group member that there was a need, early in the process, to have an in principle agreement to facilitate consent to connect. As ICP's need to know at the time of quotation that consent to connect will be given. It was confirmed that it was the view of the DNOs that as long as an Independent Connections Provider (ICP) was accredited and complied with the

technical framework then the likelihood was that consent would be given. It was felt by the group that while there was agreement on the principles outlined within the document further clarity was required in relation to its drafting.

ACTION: PW to amend the document and circulate to VC and VS for comments.

IV. Adoption Agreements

It was confirmed by Ofgem that the general principles of what should be contained within an Adoption Agreement were outlined within the Final Proposals document of August 2002 and that Ofgem's view has not changed.

Ofgem also highlighted that while, to aid the development of competition, a tripartite adoption agreement should be offered by DNOs in the first instance, however there should be the option of a bi or multi-lateral agreement if all parties were in agreement. It was also confirmed that Ofgem considered that it had the ability to determine terms outlined within an Adoption Agreement if asked to do so.

The group agreed that the proposed framework for the content of an Adoption Agreement presented to the ECSG would be suitable for inclusion within the forthcoming consultation.

V. Memorandum of Understanding

This memorandum was for ECSG members' information only.

VI. Audit and Inspection Regime

It was confirmed that this document was based upon audit levels already in existence; the only addition was in relation to disputes resolution and arbitration. A group member highlighted that the issue of arbitration had to be made clearer and that there was an issue as to how inspection charges were to be recovered.

Ofgem confirmed that discussions were on-going at present to include certain non-contestable charges such as inspection costs within the remit of the Price Control. A document outlining proposals is due to be published by the Price Control team on 22 March 2004.

ACTION: JH and PW to amend to refer to the Price Control Document due for publication on 22 March 2004.

VII. Records Information

This document was tabled at the previous meeting and no further amendments had been made. The group had no further comments.

VIII. Live LV Jointing

This document outlines key high level principles which stem from trials undertaken in the SP Distribution/SP Manweb and United Utilities distribution service areas. It was highlighted that these proposals would be included within the consultation document to invite views from stakeholders.

IX. Technical Framework Document – Parts 1, 2 and 3

The updated document (including requirements for Brownfield Housing Developments) had been tabled and agreed at the previous meeting. It was

noted that minor editorial changes amendments were required to reflect the formation of the Energy Networks Association.

ACTION: PW to incorporate amendments.

X. Technical Framework Document – Parts 4, 5 and 6

The group had no further comments on these documents.

4. G81 Governance

It was highlighted that under Ofgem's proposals for governance of technical standards it was necessary for the Distribution Code Review Panel (DCRP) to approve G81.

Ofgem's forthcoming consultation on Competition in connections would include G81 and responses received would be used by the ECSG to provide a consultation report/recommendation for approval to the DCRP.

5. Way Forward

Ofgem confirmed that a draft template of the consultation document would be circulated to members by Friday 19 March 2004. It was confirmed that ECSG members would have the opportunity to view the consultation document in its drafting stage to ensure the clarity of its content.

The Metered and Unmetered Connections Customer Groups would e-mail their comments to SOH and JC by Thursday 8 April 2004.

ACTION: Ofgem to circulate draft template to ECSG members by Friday 19 March 2004. Metered and Unmetered Connections Customer Groups to provide comments to SOH and JC by Thursday 8 April 2004.

6. Any other Business

The DNO representative suggested that the consultation document should propose more effective procedures within HAs with regard to approval of street lighting schemes on new housing developments.

7. Date of Next Meeting

Wednesday 21 April 2004. If possible agreement with regard to the consultation document is reached via correspondence this meeting will not be held. However, this date will be available should members decide face to face contact with regard to the content of the consultation document is required.