

Minutes of Electricity Connections Steering Group (ECSG)

08 June 2005 at 10:30 9 Millbank, London, SW1P 3GE

Present:

Sean O'Hara (SOH)	Ofgem (Chair)
Laura Nell (LN)	Ofgem (minutes)
David O'Sullivan (DOS)	Ofgem (minutes)
Phil West (PWe)	WPD (member of ENA group)
Jeff Hunt (JH)	SP Tran & Dist (Member of ENA group)
Peter Whiffen (PWh)	ASLEC (on behalf on Vas Siantonas)
Lee Evans (LE)	Department for Transport Lighting Board
Vince Colby (VC)	Chair of MCCG
Tony Stephens (TS)	Institute of Lighting Engineers
Ray Farrow (RF)	House Builders Federation (HBF)

1. Minutes of previous meeting

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

2. Matters arriving from the minutes of the previous meeting.

Update on the model for POC charging:

JH presented a model for POC charging. It was agreed that this could be put out as an ECSG recommendation in an Ofgem consultation.

Proposed Model:

- **Simple & Complex:** A standard charge is only levied on the ICP appointed to complete the project on behalf of the developer. The charge is based on an assessment of the average number of POC enquiries received in a year for projects which proceed compared with the resources necessary to manage the POC process, which includes projects which do not proceed. The standard charge is calculated to recover the cost of the POC process.

Typical projects included in this methodology are Greenfield/ Brownfield/ HV/LV housing developments and Industrial & Commercial connections up to and including 11kV (e.g. LV connections up to 1000kVA or HV network connections provided via a single “teed” circuit breaker or RMU).

- **Complicated:** An application fee is charged for complicated schemes (e.g. non-standard HV, generation connections etc) to cover engineering design and other costs involved in preparing an offer of terms. The amount of the fee is on a scale basis and dependent on both the electrical capacity and the highest voltage at the Point of Common Coupling to the existing DNO network. ICP requirements are generally materially different for complicated projects and the fee is charged for each application

VC raised an example where a customer asked for a full quotation and only received a budget quotation after three months together with a notification from the DNO as to cost associated with producing the quote originally requested (inc. charges breakdown). This resulted in the customer waiting a long time to receive an inferior quote than they asked for and subsequently having to pay more and wait even longer before they receive the quote originally asked for. SOH responded by saying that if a customer has to wait beyond 3 months for a quote then the DNO could be in breach of its licence and the matter could be raised as a complaint on that basis.

Update on Live Working Module:

SOH informed the group that this work stream is moving forward as expected. Lloyd's Register has confirmed the module is complete and several ICPs have been assessed against it. There are two elements to the accreditation: the live working modules and the Safety Management System (SMS). If an ICP has live working accreditation and the SMS, they can approach a DNO and ask to join a trial carrying out live working.

Action: SOH to contact Lloyd's Register and advise them to publish what accreditation each ICP holds.

VC presented a paper giving definitions and boundaries for the extension of the following non-contestable works:

Proposed extension of contestable scope – (A) Reinforcement and/or diversionary works that are completely physically and electrically separate from existing DNO infrastructure and do not require access to existing DNO operational areas.

Proposed extension of contestable scope:

- (A1) Fully funded by 3rd Party or Customer
- (A2) Part funded by 3rd Party or Customer

All members agreed that the paper was very well written and was clear for the reader to understand.

The group agreed that:

- A (1) Appeared to be achievable – already working in some DNO areas
- A (2) There were a number of significant issues to be considered

SOH proposed that a consultation be held on the extension of contestability to A1 and A2. VC's paper was deemed to be a good basis for an Ofgem consultation.

Action: Ofgem to draft a consultation in time for next meeting.

Connections charging regulations:

SOH provided clarification of how the connections charging regulations apply in light of the new apportionment rules. SOH stated that customers are required to pay for the proportion of reinforcement capacity used and all of the connection assets. If someone connects to the connection asset within 5 years a proportion is taken from the second comer and paid back to the first comer. If someone takes a part of the remaining reinforcement capacity within 5 years the DNO can recover that proportion via the regs and thereby reduce its own expenditure as the money is not passed to the first comer (who only paid for the capacity he required in the first place). After 5 years there is no second comer recovery process in respect of either the connection or reinforcement. This reduces gaming between competing developers as developers are not incentivised to wait for another to pay to reinforce the network before they request a connection.

3. Unmetered Service Level Agreement (SLA):

LE presented a paper on feedback from Lighting Authorities which indicated that apart from one DNO, the other DNOs were not ready to commence on 1 April 2005. Some DNOs are currently asking Authorities to sign or they will refuse to enter into discussions with them. Some DNOs have tried to amend the SLA and SOH will ask all DNOs to provide a copy of their revisions. Ofgem has major concerns about agreements being unilaterally amended. SOH asked LE to arrange a meeting of the Local Authority champions to agree a common position in relation to outstanding issues such as start dates for calculating performance. It would then be sensible for the issues/ answers identified to be discussed with the DNOs champions. Ofgem representatives could attend such a meeting.

Actions:

- **LE to circulate contact details for nominated LA champions and DNO champions.**
- **LE to include more detail on progress in the LA feedback paper and copy to DNO champions (cc Ofgem)**
- **LE & SOH to inform DNOs of outcome of meeting with LAs to discuss outstanding issues**
- **SOH will continue to meet with the user groups.**
- **SOH to write to DNO champions requesting details of amendments to SLAs / other issues before they are due to report against the standards.**

Tripartite Agreements.

LA representatives reported that to date only two DNOs are known to have provided a full set of draft documentation to Local Authorities. The Ofgem requirement for these documents to be made available by the end of March 2005 has generally been ignored by the DNOs.

One of those DNO's Adoption Agreement appears to be suited more towards the provision of HV and large LV mains systems which are due to be metered rather than the unmetered highway market and some modification will be required before it could be considered fit for purpose.

4. Update on Part A Document:

Ofgem wrote to DNOs in April 2005 for an update of performance against decisions in the Part A document. The responses could be summarised as follows

- Live Working: All DNOs are already engaged in trials or should be ready to commence during 2005.
- Street lighting – Discussed in Unmetered SLA above.
- Triangular Contract – Four DNO are in a position to offer it currently. Other DNOs have reported that they are ready to discuss terms with interested parties if interest is shown.

Action:

- **LE to add in the LA comments on triangular contract arrangement into his report.**
- **PWh to approach Lloyd's Register for an explanation of the desk-top review process and how it fits into the accreditation process.**

5. Multi-occupancy dwellings:

PWe told the group that the DTI expressed concern over variability of requirements, sometimes even between DNOs under same ownership. This, together with the emergence of multi-occupancy developers working nationally has lead to ENA re-examining the possibility establishing a common set of procedures. A sub-group has been set up and preliminary discussion has taken place. ENA will invite other groups such as RIBA, ECA, NICEIC and IDNOs to discuss the issue.

New ESQC regulations permit other DNOs to have infrastructure in someone else's building. Present regime permits 3rd parties including IDNOs to operate in this market. SOH stated that this was not an issue for the ECSG to take the lead on but should benefit from input from an ICP working group or the MCCG.

Actions:

- **VC to raise the issue of multi-occupancy dwellings with the MCCG**
- **SOH will raise the issue with Lloyd's to pass on to the ICP group**
- **Andy Bower (0207 706 5100) [Andrew.Bower@energynetworks.org] to run this at the ENA.**

6. Generator quotations breakdowns

SOH raised the issue of breakdowns of generator connection POC quotations. It was agreed that DNOs should be able to provide this for projects that are open to competition. JH pointed out that for projects that are only part funded by the developer (e.g. involve shared use assets), many significant issues including those raised in Vince Colby's paper (referred to above) would need to be resolved before this work may be considered open to competition. In such circumstances DNOs would provide a S16 quotation.

It was also emphasised that G81 excludes generation and only Greenfield HV/LV Housing Developments and light industrial / commercial developments is formally open to competition as a result of work completed by the ECSG. In practice some DNOs may permit contestable works in other areas of activity such as generation connections on a discretionary case by case basis.

It was agreed that Micro-CHP should not cause a problem for the templates the ECSG have put into place for breaking down quotations. The template for breakdown quotations could be treated on the same basis as demand connections.

It was agreed that where people ask for a breakdown, there is no reason why the information provision requirements already agreed by the ECSG should not be applicable. If a customer requests a breakdown subject to guidelines DNOs should respond on this basis.

7. AOB

None

8. Date of next meeting

5 August 2005