

ECSG Minutes  
15 December 2005  
Ofgem, 9 Millbank, London

**Attendees**

Lee Evans	(LE)	Caerphilly County Council
Jeff Hunt	(JH)	Scottish Power
Tony Stephens	(TS)	Hampshire County Council
Phil West	(PW)	Western Power Distribution
Peter Whiffen	(PWh)	House Builders Federation

Roger Morgan	(RM)	Ofgem
Laura Nell	(LN)	Ofgem
Tom Guilfoyle	(TG)	Ofgem (Minutes)
Nicola Love	(NL)	Ofgem (final items only)

**Apologies**

Vince Colby  
Ray Farrow  
Brian Hargrove  
Vas Siantonas

Update on previous minutes and actions

**Action to be carried over from 06/10/2005 meeting: TS to draft a document clarifying definitions regarding street lighting faults and defects and detailing any further issues. This is to be shared with PW and JH, and sent for confirmation to Peter Rice, Ofgem's Senior Price Control Manager.**

The issue of inventory management was discussed by the ECSG. LE raised the point of the importance of correct inventory listing for forthcoming Public Finance Investment (PFI) Contracts. PW queried under whose remit would a consultation on inventory management fall, the Unmetered Supplies User group (UMSUG), the ECSG, Elexon, or the Unmetered Connections Customer Group (UCCG)? Ofgem stated that inventory management is outside its remit but agreed to clarify Elexon's involvement in this respect.

**Action: PW and JH to write to DNOs asking them to state points to raise regarding inventory management, in time for the next ECSG meeting.**

**Action: Ofgem to clarify Elexon's involvement in inventory management.**

**Action to be carried over from 06/10/2005 meeting: BH to write to Lloyds Register with regard to the provision of modules within the accreditation scheme relating to works on both pilc and xlpe service cables consistent with the 1 metre from the main restriction.**

1. VC and JH update on draft paper for Point of Connection (POC) queries and levels of justification required

RM stated that queries had been made at the previous Metered Connections Customer Group (MCCG) meeting regarding the process for challenging POC information and how this process is to be developed.

JH and PW updated the ECSG on a draft proposal stating the level of information to be supplied by a DNO to an ICP for a POC. Should any further technical information be requested, the DNO should be entitled to make a charge to avoid ICPs challenging POC as a matter of course. The amount would be dependant upon the level of work having to be undertaken. Should the DNO be found to be in error, the ICP will be entitled to a refund of these costs.

**Action: VC to issue this proposal to the MCCG and invite comments to be referred to the ECSG.**

**Action: LN to update VC on the above action.**

2. JH updates on definitions for Industrial and Commercial (I&C) Connections

JH presented the ECSG with a draft proposal of definitions for I&C connections, attached as appendix 1.

JH stated he would welcome comments on the proposed definitions from VC and other members of the ECSG, also stating a series of worked examples could be added to the definitions should these be thought as beneficial.

**Action: LN to send a copy of the proposed definitions to VC for comments.**

3. LM/RM to update the ECSG on the amending of the Electricity (Connections Charges) Regulations (“the Regulations”)

LN updated the ECSG following a meeting with the ENA to discuss the proposals for the amendment to the Regulations.

LN stated during a meeting with the Department of Trade and Industry (DTI), concerns were raised over the present pro network approach of the proposal. The DTI stated greater customer consideration is needed.

LN stated the DTI is prepared to meet with the ENA and energwatch to discuss the proposals.

LN stated it is Ofgem’s aim to issue the document for consultation in January.

4. RM Updated the ECSG on the November MCCG meeting

RM set out the main MCCG discussion points. The MCCG discussed the SP Manweb Commitments, and the desire by some ICPs for these to be introduced industry wide as ‘best practise’. RM confirmed that Ofgem could not impose these commitments on other DNOs. An update of the competition in connections review to be undertaken by Ofgem in 2006 was also provided to the MCCG.

TS asked whether any ICPs had stated difficulties in the conditions of contracts when working with DNOs.

RM stated that ICPs had raised concerns and allegations of DNOs engaging in anti competitive behaviour. RM stated there is an action upon the MCCG to write to Ofgem setting out concerns and to offer suggestions as to how these issues could be resolved.

PW stated that complaints without evidence should not be given a credibility they do not deserve. Such complaints made to Ofgem should not be publicised until proven. ICPs must provide proof when they make complaints regarding DNO anti competitive behaviour to Ofgem.

RM stated that ICPs put across the idea that they had lost confidence with the tri-partite scheme due to the requirements between the DNO / ICP and that many were turning to the rent a jointer option instead due to the complications of the tri partite agreement.

PW requested that ICPs raise with ECSG the specific concerns, without which it was not possible to understand the basis of the reported loss of confidence.

5. Update on Lloyds Register position regarding provision of modules for accreditation scheme relating to works on pilc and xple service cables

It was planned for BH to update the ECSG, however he was absent from the meeting.

The ECSG discussed the issue that the works on pilc service cables must only be carried out by suitably competent jointers. The ECSG therefore suggested Lloyds should provide a module for training for work with lead cabling, if there was demand from ICPs to undertake such work..

It was confirmed by the ECSG that this issue is not covered by the Live Working Consultation Document.

**Action: Ofgem and BH to contact Lloyds Register regarding the new training module.**

**Action: BH to provide an update at the next ECSG meeting.**

6. Unmetered Supply:

LN and RM updated the ECSG on Quarters 1&2 of the Unmetered SLA Trial

An initial draft summary and analysis of Quarters 1 and 2 of the trial submissions was presented to the ECSG.

PW stated WPD checked data submissions monthly with the relevant Local Authorities (LAs) as a matter of good practice.

LE stated that some DNOs are not signing off data with the LAs before submitting it to Ofgem. LE stated disappointment that 3 quarters into the SLA, issues of procedure still remain.

RM asked the ECSG for views on how to improve the Unmetered SLA data.

JH suggested the data should show a more balanced representation if the analysis took into account the number of LAs covered by each DNO. JH therefore suggested the LAs participating in the trial should be listed and the data be presented taking the number of LAs into account. This would enable a truer reflection of DNO performance.

LE and TS suggested this information, when finalised should be distributed to the LAs participating in the trial. This would encourage LAs to remain involved within the trial and encourage further participation.

JH stated, that the finalised analysis should be circulated to all DNOs for comment before publication.

TS and LE raised the issue of outstanding work and the backlogs that have developed since the trial started on 01 April 2005. The details of backlogged works at present are not being submitted, however it was agreed by the ECSG that the backlog has to be considered when assessing a DNOs overall performance level.

**Action: Ofgem to issue a letter to the DNOs detailing how backlog information should be submitted alongside the remaining data submissions. This letter will make clear that the stated backlog only includes outstanding works from 01 April 2005.**

**Action: Ofgem to email ECSG initial draft analysis for comment. This information is to be kept confidential to the ECSG only.**

LE updates on meeting with Department for Transport (DfT)

LE stated there has been a disappointing level of performance and participation within the SLA trial. LE stated some LAs have considered dropping out of the trial.

**Action: LE on behalf of the Lighting Board to issue a letter to LAs encouraging further participation and for those participating, to encourage continued involvement.**

LE discussed the new development by the Audit Commission of the new Performance Indices (PIs) and the introduction of new performance indicators in England for LAs. LE stated in 2006, the length of time taken to repair street lighting will be reported upon. Two PIs will include repair times where rectification is under LA control, with a second reflecting time where the rectification is under DNO control.

LA standards will be measured from the notification to the LA of a fault, for example, by a member of the public until the time of repair. DNOs will be measured from the time of notification of a fault by the LA, until the time of repair. Both will be recorded in calendar days.

PW undertook to seek out a copy of the detailed reporting instructions from Audit Commission.

#### 7. Update from the Lloyds Register Meeting

PW raised the issue of Lloyds introducing a scheme encouraging the development of standardised paperwork. (NERSAP minutes 21<sup>st</sup> Sept 2005)

PW stated issues relating to standardised paperwork was not related to accreditation therefore is outside of the Lloyds Register remit, which is the National Electricity Registration Scheme accreditation process.

The ECSG agreed with these statements.

**Action: LN to check NERSAP minutes**

**At this point, TS, LE and RF left the meeting. Nicola Love (NL) joined the meeting**

#### 8. ECSG Comments on the Connections Industry Review (CIR)

RM stated letters have now been issued to those DNOs which had not met the voluntary industry standards. RM stated the letter posed 3 questions; why performance levels

were below the voluntary industry standards, what actions have been taken to resolve this, and whether the voluntary standards will be met at time of next report.

JH stated that there is a need for a truer reflection in the levels of performance which recognises the level of competitive activity within a DNO area and the resources necessary to support this activity. A possible measure could be based on the number of contestable connections completed expressed as a percentage of the total number of connections completed within a DNO area. JH also expressed concerns regarding consistency of data provided by DNOs and suggested that further work was necessary to address this issue, through for example, development of detailed RIGs.

JH also pointed out that the targets associated with the voluntary standards of service had been set prior to availability of any information upon which to assess existing performance levels. In the absence of this information it was not possible at the time the targets were established to confirm that the targets were appropriate and whether any additional costs incurred by a DNO in order to achieve the targets could be economically justified. This raises the question of a) whether the targets are appropriate and b) how additional costs incurred in meeting the targets should be funded. With respect to funding, JH highlighted the problem that since compliance with the standards is on a voluntary basis (i.e. not covered by a legal or licence obligation), it is not clear that Ofgem had resolved how such costs should be recovered (e.g. through an appropriate allowance within the Distribution Price Control or through connection charges).

RM stated that any issues raised would be taken forward and form part of the review of competition in connections next year. RM stated if required, licence conditions could be introduced, however, this would require consultation and debate..

NL stated that Ofgem are considering revising the information requested for the CIR, and stated that Ofgem will consult with industry before any decisions are made.

PW pointed out that the % of works undertaken by DNOs is not necessarily a reflection of the availability of competition as Customers who are well aware of the competition options may simply have chosen to place their business with the DNO. PW suggested

that Ofgem seek opinions from individual major housing developers as they are the customers and are involved with large numbers of connections. .

9. PW stated that any changes to data collected for CIR would entail software changes for DNOs which can be lengthy and costly. If changes were envisaged, time had to be factored in to address this before the start of the reporting year in question. NL replied that it was unlikely that there would be a request to change base data, but to examine different approaches to its presentation.

### **Any Other Business**

#### 10. PW leads a discussion on overhead line contestability

PW stated that ECSG competition in connections activity had been rightly focused on underground connections, and specific issues surrounding overhead line connections contestability had not often been debated.

Ofgem have stated that all areas of connection works, except reinforcement and diversions should be contestable. ECSG work to date had not considered the many interactions which exist in the various elements of contestable overhead line works. Examples of elements relate to initial survey, detailed line design, wayleaving, construction access permissions, land damage claims, delays in construction start, consents, diversions of other DNO / BT apparatus and so on. There is now an increasing number of overhead line connections, for example to distributed generation sites such as wind farms, being pursued as contestable activities. Whilst it is not suggested that presently contestable elements of overhead line works should become non-contestable, PW pointed out that some elements would best be carried out together in order to establish effective project management and minimise interdependencies which will cause contractual complexity when some parts are undertaken by an ICP and others by the DNO. .

PW stated and Ofgem agreed that the issues regarding overhead line contestability should be formally debated by the ECSG, with a view to opening up wider consultation.

**Action: PW to draft a discussion document outlining issues surrounding the elements of contestable overhead line works in time for the next ECSG meeting, 17 February 2006.**

11. Discussion of apportionment rules to connection examples provided by a DNO

PW and JH stated they do not believe apportionment rules are within the remit of the ECSG. RM suggested that the Apportionment rules should be more appropriately discussed in the Structure of Charges Steering Group.

**Date of Next ECSG Meeting: 17 February 2006.**

