

## **ECSG Minutes**

**05 July 2006**

Ofgem, 9 Millbank, London

### **Attendees**

Phil West	(PW)	WPD (DNO representative)
Peter Whiffen	(Pwh)	ASLEC
Vas Siantonas	(VC)	ASLEC
Vince Colby	(VC)	ICP representative
Ray Farrow	(RF)	Home Builders Federation
Lee Evans	(LE)	Caerphilly County Council
Tony Stephens	(TS)	Hampshire County Council
Martin Crouch	(MC)	Ofgem
Roger Morgan	(RM)	Ofgem (Chair)
Tom Guilfoyle	(TG)	Ofgem (Minutes)

### **1. Introduction and apologies**

RM opened the meeting and welcomed attendees.

Apologies were made for Jeff Hunt (Scottish Power) due to another Ofgem meeting and Laura Nell (Ofgem).

### **2. Review of minutes from previous meeting and update on actions.**

The ECSG agreed that the minutes from the previous meeting were a true and accurate record. No further comments were made.

It was agreed by the ECSG that all Ofgem actions from the previous meeting had been completed.

*Action from 05/05/2006 meeting: VS to provide PW with details on the ASLEC NVQ training for cut-out isolation. PW to table at the ENA for discussion.*

PW informed the ECSG that VS had provided details of the ASLEC NVQ training scheme. PW stated that he had presented this to the ENA Safety, Health and Environment (SHE) group on 07 June 2006 and that this group will discuss this issue during its October 2006 meeting.

PW added that, G39/1 covers most of the issues raised by the ASLEC NVQ proposals. PW explained that the document covers the levels of competency and the authorisation to undertake work on cut-outs. PW added that in light of the NVQ proposals that he had suggested, the ENA SHE group discuss updating the G39/1 document. PW added that only minor updates would be required, and generally, this document remains a suitable reference point.

**Action: PW to update the ECSG on ENA SHE group discussions**

### **3. VC to provide update from the previous MCCG Meeting.**

VC explained that a draft of the proposed definitions of complicated and complex schemes were discussed at the MCCG<sup>1</sup>.

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<sup>1</sup> Metered Connections Customer Group

VC added that that the MCCG expressed concerns about the number of connections currently being categorised as complicated schemes and added that there are currently no set timescales for quotations classed as complicated.

VC added that the MCCG has proposed revised definitions for schemes, the main difference being the introduction of timescales for complicated schemes.

**Action: VC to send definitions through to PW and Jeff Hunt (JH).**

- **PW to table the proposed definitions at the ENA Competition in Connections Support group for discussion.**
- **VC to discuss proposed definitions with JH. JH/VC to provide an update to the next ECSG meeting, after further discussion within the MCCG.**

#### **4. TS to provide an update on cable fault technical definitions.**

TS discussed cable fault definitions and discussed the contentious issues when forming a cable fault technical definition are. That is, splitting the definition of fault away from cost and establishing which party is responsible for the cost of repair.

TS stated that discussions are continuing with JH to define a cable fault definition.

VS queried the scope of these definitions. TS explained that the definition will cover cable fault only.

The ECSG agreed that further debate is required between TS and JH in order to finalise technical cable fault definitions.

**Action: TS and JH to further discuss and report to the ECSG when proposed definitions have been finalised.**

#### **5. PW to provide an update on the technical process specifications for the extension of contestable works.**

PW and VC met on 31 May 2006 to discuss this issue. A draft specification document, G81 Part 7 has been produced and issued to the ENA CinC support Group for comments with a 3 week turnaround.

PW explained that the draft specification document was broadly based on Ofgem's Extension of Contestable works decision document.

VC added that G81 Part 7 was cross referenced to Parts 1 – 6 of the G81 guidance document and that the draft includes ESQCR<sup>2</sup> risk assessments to overhead line works. Also, the document is separated into pre- construction and construction activities.

VC stated he would expect individual DNOs to attach the necessary regional variations for overhead works.

PW added that the design of reinforcement works would remain non- contestable in line with above Ofgem decision document.

VC stated that the specifications will be considered by the MCCG for comments.

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<sup>2</sup> Electricity Safety Quality and Continuity regulations

RM queried the next steps following agreement within the ENA and MCCG forums. PW stated that Governance procedures would have to be followed. In the case of G81 Parts 1 -6 it had been agreed that consultation via Ofgem ECSG would be undertaken rather than via GB DCode governance process, and it was proposed that this be the case with G81 Part 7 too. The ECSG would be able to issue the document for consultation and invite comments from outside parties.

VC suggested that the technical process specifications should remain an area of work led by the ECSG, this approach was supported by the ECSG.

**Action: VC/PW to provide an update at the next ECSG meeting.**

## **6. Ofgem to provide an update on the Competition in Connections Review.**

RM presented a series of slides on Ofgem's Review of Competition in Connections.

(The presentation material is available on Ofgem's website.  
<http://www.ofgem.gov.uk/ofgem/work/index.jsp?section=/areasofwork/connections/connectionanduseofsystemcode>)

RM explained that Ofgem received 36 responses to its consultation, 2 of which were confidential. The responses (except those marked as confidential) have been placed on the Ofgem website.

(<http://www.ofgem.gov.uk/ofgem/work/index.jsp?section=/areasofwork/connections>)

RM's presentation covered:

- an overview of responses to Ofgem's 4 May 2006 consultation;
- issues that will form Ofgem's August consultation; and
- next steps e.g how Ofgem intends to take forward the Review

The ECSG discussed the following topics:

### ***Voluntary Standards***

VC discussed the voluntary standards and the importance to ICPs of timely POC information. VC explained that the voluntary standards timescales are not the main concern for ICPs and added that ICPs currently have no certainty that DNOs will provide POCs in the defined timeframes and that this uncertainty hinders ICPs ability to quote customers. VC explained that it is important for ICPs to align where possible their quote with the DNO's section 16 quote. If a POC is not provided or inappropriately classed as complicated (which have no timeframes attached) the ICP will be unable to quote for contestable works.

### ***Disputes Process***

RF discussed the importance of accountability and suggested enforcing the standards through the creation of a board for dispute resolution, and queried whether or not Ofgem's terms of reference would allow this.

MC stated there is the option of self regulation by the DNO as is the present case with electricity suppliers. This would enable initial discussions with DNOs, and then if required, disputes could be escalated to Ofgem.

RM explained that the August consultation will seek views on whether it is appropriate to establish a dispute mechanism that captures, amongst other things, ICP disputes. RM added that the August consultation will consider the extent of changes required to the connections application process. For example, timescales for formal offers.

### ***IDNOs***

RM explained that a number of IDNO / DNO respondents raised IDNO interface issues. For example, boundary metering / isolation, load drop, effects of embedded networks on resilience of upstream networks. RM added that IDNOs and DNOs consider that these issues should be discussed in an open forum. RM said that Ofgem would consider arranging such a forum.

### ***UMS Service Level Agreement (SLA) trial***

LE explained that the current SLA trial document took a significant amount of time to develop and the current arrangements was a compromise between the Local Authorities (LA) and DNOs. LE acknowledged that further work in this respect will be required when the future of the SLA is decided.

VC stated if standards for the SLA are tightened, the number of disputed figures will increase, and recommended that the standards currently in place remain the same.

TS raised the issue of Public Finance Initiative (PFI) contracts, stating that few LAs have taken the competitive route and that there is limited jointing being undertaken. VC stated street lighting could be an ideal opportunity for triangular agreements to be used.

LE stated that currently, only around 80% of connections can be jointed onto service cables by ICPs and the rent-a-jointer scheme.

LE explained that the majority of LAs will not be entering into triangular agreement because the majority of these will be short term works, completed within 3 – 5 years. LE discussed the importance of competition as an alternative in unmetered connections and that competition should be encouraged through long term contracts. LE added that through a competitive market LAs would have better control over the required works being undertaken.

LE queried whether Ofgem had seen each DNOs' triangular agreement contracts and questioned whether the contracts presented barriers to competition.

VS suggested that Ofgem request all DNOs submit their triangular agreement contracts, and that these should be discussed within the ECSG.

VS suggested the contracts be discussed in a specialist unmetered forum, and then ECSG be updated.

**Action: Ofgem to request triangular contracts from each of the DNOs, to then be discussed at the next ECSG meeting.**

***RM provided an overview of the next steps for Ofgem's review of competition in connections***

RM stated that the presentation did not cover all items that will be considered for consultation and added that it was important for the industry to engage during this process and provide direction to Ofgem. RM questioned whether the ECSG support further development through sector specific workshops.

PW expressed support for this approach this idea as individual DNOs had said they wished to make comments.

The ECSG agreed that strawman proposals would to increase the effectiveness of the workshops. It was suggested that following publication of Ofgem's document, Ofgem should liaise with various industry parties to discuss proposals for the workshops.

RM stated he agreed with this approach and that there should be further discussion on the approach for workshops at the next ESCG meeting.

RF questioned whether or not it was intended that metered and unmetered connections be separated as part of Ofgem's review.

RM stated the review will cover gas, electricity and transmission connections, and that it was sensible to split unmetered and metered connections.

**7. ECSG to discuss DNO Jointer training.**

VC introduced this topic and explained that there are inconsistencies in DNOs' approach to assessing the competency levels of jointers wishing to undertake live working within a DNO area.

VC stated in some cases for a fully accredited NERS jointer, accredited for works both on joints and cables, some DNOs require one day refresher training/ update courses to familiarise jointers with the network, whilst other DNOs insist on a more onerous three week training course for all jointers, including those fully accredited by NERS.

PW asked whether this issue had been fully discussed at NERSAP, and added that NERSAP should discuss this and agree a position.

There was a view that it was unnecessary for jointers with full accreditation to be required to undertake a three week training course. Provided that full accreditation had been obtained a one day refresher seemed appropriate.

The ECSG agreed that NERSAP should discuss this issue. It will then be up to the ECSG to publish the proposal for approval by each DNO.

**Action: VC to take DNO Jointer training back to NERSAP for a final decision to be reached. PW to pre inform the ENA CinC Support Group of Ofgem's intention to support the decision reached by NERSAP.**

**8. Ofgem to provide an update on the UMS SLA<sup>3</sup>**

A table detailing Local Authorities' SLA data verification was distributed to the ECSG.

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<sup>3</sup> Service Level Agreement

RM stated a letter had been sent out to the LA Champions on the 12<sup>th</sup> May 2006 requesting each LA to state whether or not they could verify the SLA data as submitted by their respective DNO.

RM stated that not all LAs had met the deadline of 30 June 2006 to respond to this request; however he hoped that all responses would be received shortly.

**Action: TS and LE to contact those LA Champions who have not yet responded to Ofgem.**

PW expressed concerns about the low level of response from the LAs. PW stressed the importance for LAs to fully participate within the data verification process to ensure certainty of the data. PW requested that those LAs given the opportunity to comment, but chose not to, should be highlighted alongside any publication of SLA data.

RM added that in Ofgem's August 2006 Consultation document will consult on the next steps for the SLA.

The ECSG agreed that the UMS SLA and unmetered connections should be discussed in depth in an Ofgem workshop via the Review of competition in connections.

MC asked whether it is appropriate to continue in the long term, monitoring of the SLA data. LE suggested that monitoring should continue, however, the trial period and the way forward for the SLA should be concluded as soon as possible. LE added that one of the benefits of the UMS SLA was that it had raised the importance of unmetered connections within DNOs.

PW added that the trial had to be brought to an end at some point, and a decision reached on the way forward that would then provide the confidence necessary to invest in establishing ongoing systems.

LE questioned the timescales of implementing guaranteed standards, and requested this be discussed and explained at the review workshops. PW commented that any informed debate on guaranteed standards first needed widespread, accurate and agreed data.

RM discussed the process to introduce guaranteed standards and explained that standards are made after a statutory instrument is laid before Parliament. Any regulation put in place would apply to all DNOs.

LE queried whether it is possible to introduce guaranteed standards of service that are licensee specific.

MC explained that regional standards may be difficult to introduce. However, a national standard is less complex to implement. MC added that this would not prevent contractual arrangements between LAs and DNOs.

**Action: Ofgem to distribute to ECSG an electronic copy of the SLA LA verification spreadsheet when all responses have been received.**

**9. ECSG to discuss Proposal A2 of Ofgem's consultation letter "Proposal for extending the scope of contestable works in relation to completion in electricity connections"**

RM discussed proposal A2. RM stated that A2 was considered to be complex and raised commercial issues that require further debate and discussion. RM asked whether proposal A2 should be considered via the Review of competition in connections.

VC agreed with this approach and suggested that including proposal A2 within the scope of the review would allow for an open discussion.

PW stated Proposal A2 covered commercial and licence issues that the DNOs anticipate to be difficult to agree upon, as a result there should be no discussions on Proposal A2 without all DNOs being represented. PW stated he supported including A2 in the review and recommended further discussion in this respect in a workshop.

**10. AOB**

There were no further topics raised by the ECSG.

**11. Date of next meeting**

The next meeting is scheduled for 10.45am, Wednesday 06 September 2006.