

ECSG Minutes**10 November 2006**

Ofgem, 9 Millbank, London

Attendees

Phil West	(PW)	Western Power Distribution (DNO Representative)
Ray Farrow	(RF)	Home Builders Federation
Lee Evans	(LE)	Caerphilly County Council
Vas Siantonas	(VS)	ASLEC
Brian Hartgrove	(BH)	ASLEC
Jeff Hunt	(JH)	ScottishPower (DNO Representative)
Roger Morgan	(RM)	Ofgem (Chair)
Martin Crouch	(MC)	Ofgem (Representative)
Katherine Pierzchala	(KP)	Ofgem (Minutes)
Michael Dooley	(MD)	Ofgem (Minutes)
Alberto Prandini	(AP)	Ofgem (Minutes)

1. Introduction and Apologies.

RM opened the meeting and invited attendees to introduce themselves.

Apologies were received from Vince Colby (VC) and Tony Stephens (TS).

2. Review of previous ECSG minutes.

LE requested that the minutes be amended to reflect the additional comments he made on DNOs' SLA performance. LE explained that in the previous meeting he suggested that whilst the SLA performance was better than expected he pointed out that the DNOs' SLA performance was not good enough. Ofgem agreed to amend the minutes to include LE's comments and publish a revised version on the website.

There were no other comments on the minutes.

RM reviewed the actions from the previous minutes and confirmed that the majority of actions were agenda items. RM confirmed that the following action from the previous meeting was closed down:

Action from 06.09.06 meeting: Laura Nell (Ofgem) to circulate Bridget's comments on technical process specifications for the extension of contestable works to PW and VC.

3. PW to update ECSG on ASLEC proposal G39s authorisation issue after the October SHE group meeting.

PW explained that the SHE meeting had recently taken place. Although the minutes had not been produced, PW was provided with an email update that he relayed to ECSG. PW explained that the DNOs agreed that any request for recognition of the scheme should be from the asset owner i.e. street lighting authority. DNOs will accept training, authorisation and certification of the scheme

if asked by the asset owner. This will be subject to appropriate checks /audits. VS explained that the scheme was an industry scheme, not an ASLEC initiative.

VS questioned why LAs should notify DNOs and added that G39 is a recognised national scheme. PW suggested that the DNOs position was a pragmatic and reasonable way forward.

VS acknowledged that some progress had been made and the issue of authorisation would require further consideration. It was agreed that this matter required no further ECSG discussion.

4. JH, PW and VC to update ECSG on scheme definitions with MCCG comments and DNO responses.

JH informed the ECSG that the MCCG's revised definitions were considered by DNOs and that a number of DNOs did not support the revisions.

JH explained that DNOs were generally supportive of the original proposals put forward by the MCCG, subject to minor modifications. However, the revised proposals were considered to be unreasonable. JH added that if the voluntary standards are to become formalised then an agreed set of definitions need to be developed and agreed upon. RM added that before formal performance standards could be introduced, further debate would need to take place to establish appropriate standards and supporting definitions.

PW added that the original MCCG proposed definitions were not far away from those proposed by DNOs, but that these MCCG proposals had been sent in error and subsequently withdrawn by MCCG. PW reported that the new MCCG proposals include, amongst other things, a 40 day timescale for providing POCs to EHV and grid connections. PW suggested that the expansion of the definitions, which were still under a heading of "up to and including 11kV" and timescales being sought were unacceptable and that the submission of the revised proposals had frustrated progress.

PW added that a number of DNOs were concerned about the Competition Act and were reviewing their involvement in the ENA Competition in Connections (CiC) support group.

To move this matter forward, JH suggested that Ofgem invite all DNOs to a meeting to enable them to put across their views. Following this, Ofgem should set out a proposals paper.

MC supported the need for clearer definitions and added that it may be appropriate to develop definitions through the use of ECSG sub-groups and industry meetings and that it may be appropriate for Ofgem to invite all DNOs to the ECSG.

ACTION: RM to consider arranging joint discussion between DNOs and MCCG reps

5. JH and TS to update ECSG on cable fault definitions.

JH explained that the proposed definition was forwarded to Tony Stephens (TS). JH added that he is now receiving feedback from DNOs and to take this matter forward requires feedback from TS.

LE suggested that this was not a complex issue. JH agreed, and explained that complications arise over who is obliged to pay for cable faults.

ACTION: JH will report back to ECSG on DNOs views regarding cable fault definitions.

6. PW and VC to update ECSG on finalised draft of G81 part 7 (G81/7)

PW explained that there is general agreement between MCCG and the ENA on the revised draft of G81 part 7 and that the revisions include overhead line contestability.

RM and MC informed the group that Ofgem was still summarising responses and that there was general support for overhead line contestability.

PW added that the G81/7 changes can be published if agreed on.

ACTION: PW and VC to report back to Ofgem on status of finalised draft of G81/7

7. Ofgem to update ECSG on progress of triangular agreements.

RM updated the ECSG and confirmed that the majority of DNOs had provided a draft triangular contract and agreed to make this available on their websites. RM added that one DNO is yet to provide a triangular contract and that Ofgem was still engaged in discussions with that party. PW added that WPD's triangular agreement was available on its website.

LE commented on the progress of the triangular arrangement with WPD and added that significant work was required to develop an appropriate set of contractual arrangements.

JH concurred and suggested that a triangular agreement should be supported by well defined operational procedures and that to develop these requires dialogue with all the parties involved.

PW discussed WPD's involvement in the triangular arrangement with Caerphilly Council and added that initial live jointing was recently completed and that two out of three jointers passed WPD's authorisation check. VS suggested that the triangular arrangement involving Caerphilly, WPD and Centre Great appeared to be working well. LE and PW agreed and explained that the triangular arrangements were proceeding to schedule.

ACTION: ECSG to report any additional issues regarding triangular agreements.

8. Ofgem presentation – CiC review update.

RM discussed slides that were designed to inform ECSG on the possible next steps for the Review. RM added that the slides reflected some of the issues discussed during the CiC Review industry workshops and views expressed by some respondents to the August consultation. MC added that the views received have not been discussed internally. JH questioned whether any views had been received from IDNOs; RM suggested that he was aware of one IDNO response.

Overview of slides

RM's presentation covered matters that could be progressed quickly i.e. quick wins, and identified Ofgem's initial thoughts on areas that may require further development.

Potential quick wins

RM discussed themes emerging from the workshops and focused on improvements that could be progressed by DNOs. For example, the establishment of central contact points for the duration of a connection project/scheme. Also, the development of a disputes mechanism for ICP and customer disputes and standardised communication templates / better information for customers.

PW suggested that further work should take place with regard to disputes, for example, establishing clear timescales for Ofgem in resolving disputes. JH added that clarity was needed as to what was determinable by Ofgem.

PW added that changing the one metre rule to one of "work on the service cable not including the mains joint" was a potential quick win, subject to appropriate supporting definitions being established. LE commented that dispensing of the one metre rule would be a step forward for competition.

Issues that may require further development

RM discussed performance standards definitions, competition in unmetered connections and the scope of contestability for partly funded diversions and reinforcements as being areas which may require further development.

PW and JH questioned whether it is appropriate to invest significant time developing competition into partly funded diversions and reinforcements and suggested that there has been little interest expressed in this area of work.

PW questioned whether partly funded diversions and reinforcements would be pursued by Ofgem, RM stated that more work was needed in order to analyse the responses to the August consultation.

Standard templates

RM discussed standard communication templates and suggested that a number of respondents supported the development of standard templates where appropriate. PW suggested that it may not be possible or appropriate to standardise data exchanges between DNOs, IDNOs and ICPs and that differences are almost guaranteed due to varying DNO policy documents etc.

RM discussed breaking down for a sub-set of customers, section 16 quotes into contestable and non-contestable. JH suggested that it would be unreasonable to break down all S16 quotations; however, a breakdown for a sub set of customers may be reasonable.

RF suggested that DNOs should already know the split when they derive the quotation, therefore splitting the costs between contestable and non-contestable should involve very little additional work for the DNO.

JH expressed his concerns over standard application forms. MC added that a standardised application form being published on each DNOs respective websites would be a good idea, as long as the application forms were flexible.

SLA arrangements

RM discussed the SLA arrangements and provided a brief overview of some Local Authority responses. RM added that self regulation was not favoured by LAs.

VS questioned whether any dates or time frames had been agreed on for the SLA. RM stated there had been no views on this and that no dates had been firmly agreed on.

LE added that LAs and DNOs were becoming impatient and were eager for a decision to be made. LE added that LAs were seeking certainty on the level of performance they received. LE added that the SLA required a level of flexibility to cater for regional variations.

MC agreed with LE and added that an accurate reporting mechanism and minimum performance standards may need to be established and that a local SLA would solve these issues by obtaining sign on from the LAs and DNO involved.

LE stated a local SLA would be the way forward, whilst reporting to Ofgem could provide a method of policing the arrangements. LE added that further work on SLA definitions was required to move this matter forward.

RM and LE agreed that responses must be considered before decisions are made.

MC suggested that transparent reporting and tighter definitions could drive performance levels up, which would be beneficial for all parties involved. MC added that financial penalties may be introduced if DNOs performed poorly.

Way forward / planning ahead

RM suggested that Ofgem was considering the use of industry forums, i.e. ECSG sub-groups, to develop metered and unmetered policy proposals. RM added that a proposals document would be published by Ofgem in early 2007.

PW repeated his assertion that the one metre rule was a potential quick win. BH questioned whether the removal of the one metre rule would be beneficial to ICPs as DNOs would still continue to work on the main. PW remarked that ICPs at Ofgem's UMS workshop in Victoria had expressed concerns at start up costs even when considering only work on the service and that additional accreditation modules involving the wide range of mains jointing would affect those start up costs.

VS suggested that ICP jointers were already fully accredited and should therefore be allowed to work on the mains cable. JH expressed concerns over cable identification issues. VS added that the scope of work available to a contractor should be driven by the scope of their accreditation.

PW stated that safety and liability were fundamental issues that had been considered under the one metre rule and that competency and accreditation were key issues in expanding to consideration of work on the mains. LE suggested that progress in this area is being stifled by some DNOs. VS added that a contractor working for a DNO is able to do all types of work within a DSA but unable to do the same work if acting as a third party contractor.

JH discussed process and governance for taking forward the Connections Review. RM confirmed that a proposals document would be published in early 2007 and decisions reached in spring 2007. JH questioned how matters would be

progressed given DNOs' concerns over the Competition Act and their reluctance to engage in the ENA CIC group.

PW explained that the ECSG's terms of reference were to assist Ofgem in the development of proposals relating competition in the electricity connections market. PW reinforced the notion that the ECSG was not a decision making body. The ECSG discussed the advantages and disadvantages of extending attendance to all DNOs. The ECSG agreed that attendance may allow all DNOs to have their say, however, it may be difficult to move matters forward with the potential for discussing a diverse set of opinions on a range of topics within the timescale of an ECSG meeting.

VS suggested that wider DNO representation on the ECSG would assist in helping to understand DNOs positions. MC added that wider DNO representation may aid the development of policy through sub-groups. JH suggested that sub-groups would need to include a cross section of interested parties. MC suggested that an alternative approach could be for Ofgem to write to stakeholders instead of using sub-groups.

RM closed the discussion by suggesting Ofgem take this issue away for the next meeting.

ACTION: Ofgem to report back on governance and process for taking forward the Connections Review.

9. VC to update ECSG on NERSAP discussions regarding jointer training.

Matter carried forward to January 07 ECSG meeting.

ACTION: VC to update ECSG on NERSAP discussions regarding jointer training.

10.PW to report back to ECSG any issues that have arisen regarding the ELEXON audit findings.

PW referred to his note on the Elexon referenced documents which were passed on to all meeting attendees. PW discussed items of note to the ECSG and explained that the audit materiality threshold was set high and this may make it difficult to identify material discrepancies. There were no other comments on the Elexon findings.

11. ICP representation on the ECSG

RM informed the group that VC would be stepping down from his position as chair of the MCCG and would be replaced by Chris Bean (Power on Connections). He added that Chris Bean would attend the ECSG as an ICP rep and that VC would continue to attend the ECSG as an ICP rep.

JH suggested that IDNOs are becoming major players in the market and should be encouraged to attend the ECSG.

VS added that PWh (Peter Whiffen) no longer represented ASLEC and added that he would be stepping down from the ECSG and would be replaced by Gareth Pritchard. The ECSG wished VS well and thanked him for his input on the ECSG.

12. Any other business.

RM informed the group that LN (Laura Nell) was leaving the connection team and would no longer attend the ECSG and her replacement was NL (Nicola Love). The meeting passed on their appreciation to LN's contribution.

13. Date of next meeting.

The next meeting is scheduled for 10:30am, 23rd January 2007