

Modification of Condition 4B Connection Charging Methodology Statement for 2006/07		SHEPD/06/004B
Title: Extending the Scope of Contestable Connection Works within SHEPD's 2006/07 approved Connections Charging Methodology statement		
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Description of Proposed Modification:		
<p>Following review of the existing connection methodology statement, the following amendments are proposed:</p> <p>Amendment 1 - Clarification of the scope of Non-contestable Connection Works in Table 2 (Page 13): deletion of the term "<i>Domestic</i>" in 2nd Column Heading.</p> <p>Amendment 2 - Amended scope of Non-contestable Connection Works in Table 2, Item 1: to read as "<i>Processing the application, deciding on and planning the Point of Connection to the existing network</i>"</p> <p>Amendment 3 - Deletion of Table 2, Item 2: superfluous description of Non-contestable Connection Works "<i>Deciding on the Point of Connection to the existing network</i>". Subsequent renumbering of Table 2 Items.</p> <p>Amendment 4 - Amended scope of Non-contestable Connection Works in Table 2, renumbered Item 2: to read as "<i>The design, specification and construction of reinforcement and diversion of the existing system, excluding reinforcement and diversion works classified as Contestable in Section 3, Clauses 2.2 and 2.3¹</i>"</p> <p>Amendment 5 - Revised Footnote 2 to Table 2, renumbered Item 4: clarification of ICP design requirements to read as "<i>ICP's Design shall be undertaken to the prescribed scope of G81 and as supplemented further by the Company's appendices.</i>"</p> <p>Amendment 6 – Amendment to Clause 2.1 (Page 16) clarifying location of Table 3.</p> <p>Amendment 7 – Insertion of new Clauses 2.2 and 2.3 indicating extended scope of Contestable Works:</p> <p>“...</p> <p>2.2. <i>Some categories of reinforcement and diversion work associated with Connections are now classified as Contestable. Reinforcement and diversionary works that:</i></p> <p style="padding-left: 40px;">2.2.1 <i>are fully funded by the Applicant;</i></p> <p style="padding-left: 40px;">2.2.2 <i>are physically and electrically separate from the Company's existing network;</i></p> <p style="padding-left: 40px;">2.2.3 <i>do not require access to the Company's operational areas; and,</i></p> <p style="padding-left: 40px;">2.2.4 <i>cover the installation of overhead lines or cables at voltages not exceeding 33kV and HV/LV distributions substations.</i></p> <p style="padding-left: 40px;"><i>may be undertaken by accredited ICP's and adopted by the Company subject to the requirements indicated in Clause 3 below.</i></p> <p>2.3. <i>The design of connection reinforcements remains Non-contestable due to the level and</i></p>		

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complexity of information that would need to be made available to an ICP to allow the ICP to carry out design works is likely to outweigh the benefits of including design work within the scope of Contestable works. The design of diversion works due to their less complex nature may be Contestable subject to the parameters indicated above...

Amendment 8 - Clarification of the scope of Contestable Connection Works in Table 3: deletion of the term “Domestic” in 2nd Column Heading.

Amendment 9 - Amended scope of Contestable Connection Works in Table 3, Item 1: to read as “*Design of the Connection’s Contestable Connection works including diversion works classified as Contestable in Clauses 2.2 and 2.3 above.*”

Amendment 10 – Amended scope of Contestable Connection Works in Table 3, Item 5 (Page 17): to read as “*Undertake construction of Contestable Connection Works including reinforcement and diversion works classified as Contestable in Clause 2.2 above.*”

Amendment 11 - Amended scope of Unmetered Connection’s Non-contestable Works in Table 6, Item 2 (Page 36): to read as “*The design, specification and construction of reinforcement and diversion of the existing system, excluding reinforcement and diversions works classified as Contestable in Section 3, Clauses 2.2 and 2.3*”

Amendment 12 - Revised Footnote 5 to Table 6, Item 4: clarification of ICP design requirements to read as “*ICP’s Design shall be undertaken to the prescribed scope of G81 and as supplemented further by the Company’s appendices.*”

Amendment 13 - Amended scope of Unmetered Connection’s Contestable Works in Table 7, Item 1 (Page 36): to read as “*Design of the Unmetered Connection’s Contestable works including diversion works classified as Contestable in Section 3, Clauses 2.2 and 2.3*”

Amendment 14 – Amended scope of Unmetered Connection’s Contestable Works in Table 7, Item 4: to read as “*Undertake construction of Unmetered Connection’s Contestable Works including reinforcement and diversion works classified as Contestable in Section 3, Clauses 2.2 and 2.3*”

Reasons for the Change including an explanation of how the proposed change better meets the relevant objectives:

The proposed modification change facilitates general achievement of the relevant objectives as set out in Standard Licence Conditions 4B paras. 3(a) – (d) and principally Competition in Connection.

Proposed wording for the statement:

All the above changes are shown in revision-marking in the accompanying mark up of an relevant extract of SHEPD’s Connections Charging Methodology Statement for 2006/07.

Proposed timetable for implementation of the modification changes:

It is proposed that this version of the connection methodology statement will apply from 1 February 2007 or, in any event, as soon as possible thereafter.

Consultations

The proposed modification reflects implements the proposals indicated in Ofgem’s Decision Letter of 13 April 2006 and as such no industry consultation has been required.