

Metered Connections Voluntary Standards – Definitions

18.12.06

9, Millbank – 10:30 – 13:00

Attendees

Dave Clare	(DC)	Mott Green Wall (ICP)
Bob Weaver	(BW)	N Power (ICP)
Chris Bean	(CB)	Power On Connections (ICP)
Jeff Hunt	(JH)	Scottish Power (DNO)
Neil Magrath	(NM)	EDF Energy (DNO)
Phil West	(PW)	Western Power Distribution (DNO)
Roger Morgan	(RM)	Ofgem
Martin Crouch	(MC)	Ofgem
Nicola Love	(NL)	Ofgem
Michael Dooley	(MD)	Ofgem

1. Meeting Objectives

Ofgem opened the meeting and discussed the meeting objectives. Ofgem explained that in light of responses to the May 06 Competition in Connections Review consultation letter and representations at the May workshop, Ofgem's August document, consulted on developing a formal standards of performance regime to guarantee a minimum service level to ICPs. Ofgem added that having reviewed responses to the August 06 consultation, Ofgem was minded to formalise the standards through a licence condition on DNOs and added that the definitions supporting the voluntary standards are unnecessarily complex, and would require robust definitions if a licence condition is progressed.

Ofgem discussed the latest position with regard to proposals to amend the voluntary standards and added that a revised set of standards and timescales were submitted by the Metered Customer Connections Group (MCCG) to DNOs for consideration. A number of DNOs expressed concerns about the revised proposals and in light of concerns about how to progress this matter, Ofgem set up this meeting, involving a small group consisting of ICPs and DNOs, to discuss and agree if possible, proposals which could be circulated for consultation in order to produce a revised set of definitions to support Competition in connections.

Ofgem explained that it proposes to invite all DNOs to the 23 January 2007 ECSG meeting and agreed to produce a minute of this meeting which would be circulated to all DNOs.

2. Background to Standards

Ofgem explained that the voluntary standards were introduced to promote competition in metered electricity connections. Following work by an ECSG sub group on standards for residential connections, the August 2002 Ofgem Final Proposal Document covered LV and associated HV infrastructure to new domestic and mixed housing and light commercial development (para 2.2) on Greenfield sites. At that point some multiple standards had been proposed, (appendix 1) but it was subsequently agreed that five voluntary standards, divided into three sub groups would be adopted. In 2003 the scope was expanded to cover Industrial and Commercial Connections up to and including 11kV and to cover

previously developed sites. These standards have been the basis of subsequent reporting by DNOs for the Ofgem Connections Industry Review.

Provision of Non-contestable information

Under these agreed standards of service, DNOs are required to provide a formal quotation, including Point of Connection (POC) information, in the following timescales:

- Simple schemes¹ – 15 working days;
- Complex schemes² – 20 working days; and
- Complicated schemes³ – letter within 10 working days.

DNOs are expected to provide ICPs with this information in a timely and non-discriminatory fashion. This should allow ICPs to successfully produce quotations for potential customers, thus competing with the host DNO.

Design Approval

Once ICPs obtain the POC information, they will normally design the connection to the host DNOs network and await their approval. Under the agreed voluntary standards of service, DNOs are obliged to approve, or provide reasoned rejection to the ICPs design within 10 working days.

Final Connections

Finally, DNOs are obliged to report to Ofgem the total number of physical connections completed to agreed timescales.

Subsequent discussion in ECSG

In 2005/6 ECSG debated revision to those voluntary standards and the definitions of simple, complex and complicated and several iterations of proposals had been exchanged, without reaching consensus. This meeting was intended to further debate the topic and develop proposals.

3. Scope of the Voluntary Standards

Taking into account the responses to the August 06 consultation, in an attempt to provide a minimum service standard and maintain a suitable allowance for exceptions, Ofgem explained that a licence condition based on a 90% performance backstop target may be an appropriate way forward.

A number of attendees considered it appropriate for a licence regime to accommodate exceptions and not penalise DNOs for failures to meet a deadline. However ICPs suggested that it was important for DNOs to demonstrate that reasonable steps had been taken, in the event of failures, to meet the timescales.

A DNO attendee suggested two possible approaches; DNOs achieving a certain percentage say 90% within timescale with no room for exceptions beyond the 10% allowance, or a regime based on 100% performance with specified exceptions.

¹ Simple extension to the low voltage network

² Requires a voltage change

³ Requires a reinforcement at high voltage and at extra high voltage

DNOs questioned whether generation connections should be progressed within the voluntary standards. ICPs suggested that most generation schemes that they progress do not export onto the existing network; therefore, they are not much more complicated than demand connections.

The idea of incrementally aligning non export generation connections with demand connections was introduced, whereby Low Voltage (LV) generation would be equivalent to High Voltage (HV) demand, and HV generation would be equivalent to Extra High Voltage (EHV) demand. EHV generation connections would be dealt on an individual basis.

Independent Distribution Network Operators (IDNOs) inclusion under the voluntary standards was discussed. It was suggested that the work they do was more complicated than ICPs, and that they needed to show genuine elements of contestable works before they are considered. Ofgem added that a licence would be general in nature and may refer to requests for POC and not differentiate between requesters and that the DNO would be obliged to provide a POC to a requester.

4. Definitions of the Voluntary Standards

ICPs suggested that the definitions that support the standards were not tight enough. In an attempt to provide clarity, the definitions have become more complicated, DNOs also emphasised the need for clear definitions and suggested that this was important if a licence condition was to be introduced.

There was general consensus amongst attendees that it was appropriate to simplify the definitions and refer to simple as LV, complex as HV and complicated, as EHV (33kV and 66kV) schemes, with some caveats as outlined above and EHV schemes entailing 132kV and National Grid aspects, outlined in 5 below. It was agreed that the definitions must be transparent; regardless of whom they are being interpreted by.

It was suggested that increased clarity in this respect may minimise the incorrect classification of schemes by DNOs. It was emphasised that a projects classification and associated time to complete the POC quotation, was in practice, driven by the difficulty of the actual design work rather than the connection voltage (for example some HV designs may require extensive network analysis and involvement of an experienced senior network design engineer). Amending the definitions as outlined in the previous paragraph may not reflect the level of design work required for certain projects and so we may need to retain some flexibility within those definitions.

The ICPs considered that the voluntary standards, and therefore timescales allocated to simple, complex and complicated category POC works were considered to be easily achievable on the basis that adequate engineering time and resources were to be allocated to complete POC tasks. If, however DNOs are able to allow individual POC projects to remain dormant or unallocated for whatever reason, then any voluntary standards would have little chance of being achieved. It was emphasised that the key driver to the voluntary standards should be what the customers consider to be a reasonable timeframe to wait for the production of POC plans and charges, influenced by the complexity of the task and the resources available. With a sufficient allocation of resources given current work content, ICPs believe that the suggested timescales should be easily achievable.

ICPs suggested that final connections were taking too long, delaying the completion of projects. They suggested the need for a final connection date within 10 days of the request.

There appeared to be different interpretation concerning the 10 day timescale and some DNOs consider this to be the timeframe by which a date must be communicated, and not the time by which the physical connection should be completed.

ICPs emphasised the need for good communication between all parties to efficiently plan final connection dates. It was suggested that at present, some DNOs require ICPs to complete all works before a final connection date is given.

A DNO attendee suggested that ICPs should be responsible for abortive costs associated with final connections. ICPs considered this to be an acceptable risk and if works have not progressed sufficiently to allow a DNO to complete the final joint, then the ICP should be responsible for the relevant abortive costs.

ICPs suggested that final connection timescales should be based around LV, HV and EHV schemes. For LV schemes, the timescale proposed was 10 days. ICPs recognised that for HV and EHV schemes there was a need for further debate with DNOs on the most suitable timescales. Chris Bean (Power On Connections) agreed to prepare a paper in this respect and Ofgem agreed to circulate to all DNOs for further debate in the January ECSG.

Attendees agreed that further clarity is needed with regard to final connection dates. It was suggested that the final connection date be aligned with the timescales regarding provision of POC information.

5. Timescales Associated with the Voluntary Standards

DNOs mentioned that in some cases, they are dependant on other parties to turn around a request. It was stated that delays may occur if a third party does not provide information in a timely manner, which may result in a DNO being forced to provide indicative quotes before they get all the required information in order to meet the compulsory timescale.

It was also suggested that Highway Authorities may in some cases delay the process for both parties.

The 90 day timescale for EHV schemes was considered to be unacceptable by ICPs. It was suggested that s/16 quotations are turned around in less time than CiC quotations, despite the fact that they generally involve more work. DNOs suggested that they turn around section 16 requests quickly by providing indicative quotes.

ICPs added that the provision of POC information in a timely manner is fundamental to their ability to quote a customer and suggested that for EHV schemes DNOs should endeavour to provide a POC within working 20 days and that the full EHV information could be provided within 40 days. DNOs recognised ICPs concerns regarding the 90 day timeframe and added that 40 working days for a full quotation turnaround is unrealistic given their limited resources and reliance on external parties.

Attendees discussed alternative timeframes and suggested that 30 working days for providing EHV POC information (i.e. POC location and connection voltage) and 45 working days to provide all supporting EHV scheme information (i.e.

quotation). It was suggested that the provision of POC information should follow the guidelines set out by G81.

6. Start / Stop Clock issues

It was suggested that there is confusion concerning DNOs management of POC requests. For example, in the event that a DNO requires further information from ICPs to process a POC request, is the request put on hold or does the clock get reset.

ICPs suggested that the clock should start when the DNO receives all the necessary information to process a request. The clock should stop if a DNO returns the request to an ICP due to missing information and restart when the DNO receives the completed information. The clock should restart at this point and not be completely reset. I.E. If the clock was stopped 5 days into a 20 day standard then when it restarted the DNO would have a further 15 days to complete the relevant task. One DNO suggested that their IT systems were not configured to track requests in this way.

DNOs noted ICPs recommendations and suggested that IT systems should be able to track metrics; however, there may be limitations in IT systems to track requests in this way.

A DNO attendee suggested the development of RIGS documentation to define stop/start clock issues.

7. Next Steps

- a) Ofgem to circulate the notes of the meeting to all DNOs and meeting attendees.
- b) Ofgem to develop proposals and present to the ECSG.
- c) Chris Bean (Power on Connections) to prepare proposals in relation to final connections. Ofgem to circulate proposals to all DNOs for further debate in the January 07 ECSG meeting.