

**ECSG subgroup Minutes
Metered Connections**

3rd April 2007

Ofgem, 9 Millbank, London

Attendees

Chris Bean	(CB)	Power on Connections (ICP)
David Clare	(DC)	Mott Green Wall (ICP)
Mark Smith	(MS)	Scottish and Southern Energy (DNO)
Brian Hoy	(BH)	United Utilities (DNO)
Keith Hodson	(KH)	Central Networks (DNO)
Steve Scarsbrick	(SS)	CE Electric (DNO)
Mike Smith	(MSm)	Western Power Distribution (DNO)
Alan Michie	(AM)	SP Energy Networks (DNO)
Roger Morgan	(RM)	Ofgem (Chair)
Nicola Love	(NL)	Ofgem
Alberto Prandini	(AP)	Ofgem
Katherine Pierzchala	(KP)	Ofgem (Minutes)

1. Purpose of sub-group

RM opened the meeting and invited attendees to introduce themselves.

RM provided an update on Ofgem's Competition in Connections Review. RM explained that during the March 2007 ECSG meeting, a number of attendees suggested that an ECSG sub-group should be established to develop arrangements to support the operation of a proposed licence condition. He added that the ECSG agreed that the sub-group should develop:

- reporting arrangements for the licence condition; and
- licence condition guidelines.

RM discussed the sub-group's proposed terms of reference and invited views. The sub-group supported the draft terms of reference.

RM explained that Ofgem intends to issue a formal licence modification in May 2007. RM added that in the event that the LC drafting is subject to change, Ofgem would issue a revised version for an informal consultation before publishing a formal licence modification. RM added that the purpose of the sub-group was not to refine the drafting of the proposed licence condition.

2. Draft reporting template

RM discussed the draft reporting template developed by Ofgem and explained that the template is similar to the reporting arrangements introduced on Gas Distribution Networks for connections performance reporting purposes. RM added that the reporting template has been designed to reduce the reporting burden on the DNOs and that the template is designed to be user friendly incorporating the use of drop down menus and automatic cell population for performance targets.

RM explained that the draft reporting template is based on the scope of the LC, and in the event that the scope of the LC changes, then the reporting arrangements and guidance document would be amended accordingly. RM urged

DNOs to review the proposed template and discuss within their respective businesses.

NL explained that the reporting template covers the following:

- the provision of quotations;
- design approval;
- final connections; and
- partial energisation.

NL added that the draft licence requires the DNO to provide an explanation in the event of failure to meet the proposed licence condition timescales.

The sub-group suggested that the reporting template should be amended to enable DNOs to include their respective project / enquiry number.

Action: Ofgem to amend and circulate revised reporting template.

Action: Attendees to send comments on reporting template to NL for circulation among sub-group members. Respondents should ensure that any confidential responses are clearly marked.

3. Licence condition guidance – conditions precedent

RM discussed licence condition guidance and explained that a guidance document provides a detailed description of the licence standards and obligations.

RM added that guidance was developed for the Gas Guaranteed Standards of Performance / Gas Connection standards. The sub-group suggested that this would be a useful reference point in understanding the level of detail that may be covered in the proposed licence condition guidance.

ACTION: Ofgem agreed to circulate a link to the Gas Guaranteed Standards of Performance and gas connections standards document.

CB added that the industry should develop a national agreed conditions precedent for CiC to ensure consistency in approach across DNOs.

A number of DNOs were unclear as to whether the conditions precedent will form part of the LC, or will be explicit in the LC guidance document. RM emphasised that the LC currently references conditions precedent and to overcome concerns about inconsistency in approach across DNOs it would form part of the licence condition guidance that is to be developed by Ofgem.

KH recommended introducing a reporting mechanism to capture instances when an ICP has failed to carry out works to enable a DNO to undertake a final connection. NL explained that the conditions precedent arrangements recognise that to complete a connection requires both parties (the ICP as well as the DNO) to ensure that certain tasks are completed.

Several DNOs raised concerns over stop/start clock issues. DC explained that in the event an ICP fails to submit the connection request then the customer has the right to be notified of the delay, and if a DNO is unable to meet the timescale for the provision of final connection date, then the customer should be informed. DC added that from the customer's point of view, the customer expects the DNO to respond within a reasonable timescale. DC added that it is reasonable for the clock to stop as long as there is a justifiable reason. CB added that the risk of

incurring abortive costs acts as an incentive on the ICP to ensure that the conditions precedent are met.

The sub-group agreed that the guidance document should be clear on start/stop clock issues.

Final Connection Principles (FCPs)

CB discussed his FCPs paper that this had been previously discussed with a sub-group of DNOs and ICPs. CB explained that the timescales identified for final connection, cancellations and partial energisation relate to LV, HV and EHV connections.

Several DNOs raised concerns about the meaning of partial energisation. MS suggested that a definition of partial energisation should be introduced into the LC. CB commented that if the terminology in the LC clashes with that in other documents, then Ofgem should consider amending the wording, to minimise confusion. CB agreed to provide further guidance in relation to phased energisation.

Action: CB to produce a note that discusses phase energisation scenarios.

Design approvals

The sub-group discussed design approvals, in particular, how to treat the submission of multiple defective designs. CB suggested that DNOs are able to reject defective designs. In the event that an ICP continues to submit inappropriate designs the matter can be raised with Lloyds Register. The sub-group emphasised the need to establish appropriate guidelines.

AM enquired whether it was possible to amend the reporting arrangements to capture the number of connections aborted by the DNO due to the ICP submitting an inappropriate design. KH added that it would be useful to clarify which ICP is failing in their design approvals and the reason(s) why. NL suggested that Ofgem may add an extra column in the reporting template to capture this.

The sub-group recommended the following changes to the FCPs paper.

FCPs – point 3

The subgroup agreed the following revised drafting:

- 'Should the ICP fail to meet the criteria and the DNO is forced to abort the final connection work then the ICP will be liable for all reasonable abortive costs.'

FCPs – point 4

Following detailed discussion about the costs that a DNO would incur if an ICP cancels final connections works in a reasonable timescale. The sub-group agreed the following revised drafting:

- 'If the ICP becomes aware that the final connection date is not achievable and notifies the DNO to cancel the final connection work in a reasonable timescale (As detailed in Table 1) this should mitigate abortive costs. Non-recoverable costs incurred, or that will be incurred by the DNO, will be recovered from the ICP.'

ACTION: Ofgem agreed to amend the FCPs and circulate a revised version to the sub-group.

ACTION: Attendees to submit to Ofgem the conditions precedent aspects of their respective Adoption Agreements to aid drafting of the guidance document.

Interactive projects

BH raised the question of how DNOs deal with interactive projects, ie receiving 3 requests for a connection quotation at the same time. NL stated that currently interactive quotations are carried out on a sequential basis, with the DNO's obligation to provide a quotation beginning when the request has been submitted. She added that this area has not been raised before for the LC or voluntary standards, and pointed out that Ofgem has not yet reviewed the consultation responses, or the history of interactive projects, but will do so.

RM pointed out that how distributors manage their processes, ie interactive quotations would not be covered in the guidance document.

4. Next Steps

RM explained that Ofgem would aim to circulate a revised draft LC and guidance document week commencing 23 April 07. The sub-group agreed to meet 26 April at 10:30am. NL added that members should inform Ofgem if they are unable to attend.