



DNOs, IDNOs and other interested parties

Promoting choice and value for all gas and electricity customers

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Dear Colleagues

The Electricity (Connections Standards of Performance) Regulations 2010

On 5 November 2009 we published an Open letter on our proposal to introduce new connections standards of performance and revise existing standards of performance for electricity distributors that will apply from 1 October 2010.

As you may be aware, the Statutory Instrument (SI) required to implement these standards has now been affected and has been uploaded to the Office of Public Sector Information (OPSI) website¹.

This letter sets out the overall process we took in developing the SI and its associated guidance document and reporting template. We also set out the extent to which we have been able to take into account the feedback we have received from consultation. In the attached table, some of the more substantial comments received are detailed along with our reasoning on whether or not to incorporate each proposed amendment in the final document

Process

The process taken to develop the SI and its accompanying guidance and reporting template was as follows

- Several working group meetings were scheduled during the Electricity Distribution Price Control 5 (DPCR5) process where Distribution Network Operators (DNOs) and customer representatives assisted in the drafting of the original standards.
- The DPCR5 Final Proposals outlining the recommended structure of the standards was published in December 2009.
- An Open Letter was also published in December 2009 inviting consultation responses on the proposed new guaranteed standards.
- The statutory consultation on the new guaranteed standards was opened at the start of April 2010.
- Following the closing of the statutory consultation, comments were reviewed and subsequent amendments were made.
- The final SI document was sent to the Secretary of State to approve, sign and make into law in August 2010.
- The SI was made on the 18 August 2010.

¹ http://www.legislation.gov.uk/uksi/2010/2088/pdfs/uksi_20102088_en.pdf

In parallel, a similar process was taken to develop the guidance and reporting template. This culminated in DNO and Customer/DNO workshops to review and discuss these documents held on the 23rd and 29th of July 2010. The comments made at these workshops and those subsequently submitted under consultation, were considered when completing the final versions of these documents.

Comments considered following consultation

In addition to the statutory consultation, several rounds of informal consultation were held for the reporting template and guidance documents. In response to comments received we were able to take into account most of the proposals which concerned editorial changes, renumbering, providing additional clarity in definitions and inserting legal references.

We attach a table showing a summary of the major comments received from the consultative process. Changes that we have taken into account were considered in the light of the recommendations made under Final Proposals. Those changes that were proposed after Final Proposals that introduced significant new elements could not be considered. Therefore certain comments we received were not considered for inclusion in the SI at this point, such as a provision for disconnections within the standards.

Guidance and Reporting Template

The guidance document, which has now been uploaded to our website², has also been subject to amendment to reflect the final changes to the SI. These changes include the clarification of clock 'resume' rather than 'restart' and the differences between extensions of time and exemptions as provided under the SI in Regulations 15 and 16. In addition, some guidance regarding the treatment of projects which include elements of both distributed generation and demand connections has also been included for clarity. Amendments were also made to the reporting template (which has also been uploaded) to include distributed generation reporting which is part of the 90% calculation under 15A. A companion guide to completing the template has also been drafted.

Outstanding Policy Issues

Several of the comments we received relate to broader policy issues. We are keeping such comments on an issues log in order for them to be addressed either through the Electricity Connections Steering Group (ECSG) or where appropriate, in future amendments to the SI. Some of the issues we are keeping under review are:

- The inclusion of standards for disconnections
- Understanding and clarity on valid applicant
- Governance of guaranteed standards
- Clarity on budget estimates vs. quotations (full/firm)

The new connections standards will come into effect on 1st October. We believe that the process of consultation has been invaluable in the development of the SI and associated materials. This process has also highlighted a number of areas that will require further development and consultation and we look forward to ongoing engagement with industry stakeholders in the resolution of these issues.

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<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=47&refer=Networks/ElecDist/QualofServ/GuarStandds>

We appreciate that the new standards will require significant bedding down and we are cognisant of the fact that customers and industry participants alike may have questions regarding the application of standards. Where customers have queries regarding these issues, it is expected that the DNOs and IDNOs will provide the necessary information. However, where queries have not been resolved with this first point of contact, customers can revert to our Consumer Affairs Team for further information and guidance.

Yours Faithfully,

James Veaney
Head of Distribution Policy

Comments taken into account		
Reference	Modification	Reasons
2(1)	Definitions of a "single LV service demand connection", in the first line, immediately after "connection" in the second place where that word occurs, insert "(other than of a load that could reasonably be expected to cause disruption to other customers)"	Agree
3(1)	At the start of the first line, insert "Subject to paragraph (3)", immediately before "Regulations" (which would now begin with a lower case r).	Agree
3(a)	Insertion regulations 5 to 9 and 11 and 12 apply where an electricity distributor has received notice pursuant to section 16A(1) of the Act from a customer who requires or may require a connection (whether metered or unmetered) to be made by the electricity distributor pursuant to section 16(1) of the Act	Agree
3(b)(c)	(b) in respect of regulations 4 to 7 and 10 to 11, where the notice given under section 16A(1) of the Act requesting terms for a connection (or, as the case may be, the notification by the relevant authority of the need for a fault repair) was received by the electricity distributor before 1 October 2010; and (c) in respect of regulations 8 and 9 and 12, where the electricity distributor has sent an offer of terms to the customer in respect of the connection before 1 October 2010	Agree Agree
3(b)	New Paragraph Regulation 10 applies where an electricity distribution has been notified by a relevant authority of a fault repair that needs to be carried out in respect of an unmetered connection	Agree
Comments taken into account		

Reference	Modification	Reasons
5(4)	In the first line of sub-paragraph (b), insert "initial" between "reasonable" and "assessment".	Agree
9(5) to 9(11) inclusive	In the last line of 9(5) and 9(9), and in the penultimate line of each of the other specified paragraphs, immediately after "must", insert, "except in any of the circumstances described in regulation 15 or 16".	Agree
Explanatory Note	<p>In the first line of that list, change "unmetered" to "unmetered".</p> <p>In the first line of each of the three principal paragraphs, change "regulations" to "Regulations".</p>	Agree
(New) 14(2)	Insert the following new paragraph immediately after paragraph 14(1): "(2) Paragraph (1) does not apply in respect of payments due to a relevant authority under any of regulations 10, 11, and 12 if the relevant authority has agreed to accept any such payments on a consolidated basis". This amendment will require the consequential renumbering of the existing paragraphs (2), (3), (4), (5), and (6) and the substitution, in the second line of existing paragraph (2), of "(4)" for "(3)".	Agree

