

Working Group established to enable the implementation of the recommendations of the ENA's Connections Working Group report 'Proposed Extension of Contestability for Competition in Connections'.

From James Veaney
 Date and time of meeting 24 November 2010
 Location Millbank

1. Present

James Veaney (chair)	Ofgem	Regulator
Rebecca Langford	Ofgem	Regulator
Keith Hodson	Central Networks	DNO
Brian Hoy (by phone)	Electricity North West	DNO
David Ball (by phone)	Electricity North West	DNO
Kevin Smith	Scottish Power	DNO
Martin Gillick	Scottish and Southern Energy	DNO
Steve Wood	UK Power Networks	DNO
Tim Hughes	Western Power Distribution	DNO
Ian Carnes	CE Electric UK	DNO
Steve Bolland	AMEY	UCCG
Chris Bean	Power on Connections	MCCG
David Overman	GTC	MCCG

2. Apologies

Mike Cahill – Lloyds Register

3. Review of terms of reference (ToR)

3.1. Ofgem ran through the draft ToR for the EoC subgroup. The draft ToR set out what Ofgem perceived to be the purpose and objectives of the group as well as its membership and structure.

3.2. The following changes were requested to the draft terms of reference:

- Removal of 'live jointing' from the name of the subgroup. It was considered that the recommendations of ENA's report required the remit of the subgroup to be wider than live jointing as it also included HV work and operational activity.
- It was noted that the group should seek input from the HSE and John Steed was named as a suitable contact since he had attended the ENA working group. It was decided that he did not need to attend the subgroup meetings but that he would be consulted as and when required. It was agreed the outputs of the subgroup would be run past the HSE.
- The membership of the subgroup was agreed. Steve Wood noted that at times Neil Magrath also of UK Power Networks might attend in his place. He stated that this should not harm consistency. Steve Boland stated that Gareth Prichard of ASLEC had expressed interest in attending the subgroup and explained that usually it would be either him or Gareth Prichard in attendance although at times it may be both.

ACTIONS	OWNER
Ofgem to circulate updated terms of reference for the group to agree.	Ofgem

4. DNO update on trials

4.1. CN are currently running unmetered live jointing trials in their area. Four Independent Connection Providers (ICPs) are involved with these trials which cover permanent service disconnections and transfers. The trials are operating well and the process for interested parties is fully documented on the CN website. CN has never had any take up in applications from ICPs for live work on sites they have built for adoption by CN although there are procedures in place. With regard to the ENA recommendations, CN are in consultation with ENWL to help develop their existing policies and procedures to share best practice and to move matters forward. CN have already been contacted by several ICPs/IDNOs to enter into trial arrangements and they expect matters to move forward in early 2011. It was noted that some DNOs would be "hands on" (making ICPs follow their safety rules) and others would be "hands off" (allowing ICPs to use their own approved safety procedures). It was agreed that while national safety rules (rather than DNO specific safety rules) would be welcomed, this was not required to allow contestability to be extended. CN has made the decision to be "hands off" and allow ICPs to follow their own safety procedures having being given consent to connect by CN.

4.2. Martin Gillick explained that SSE's experience of adopting networks has given them concerns about the quality of ICP jointing. He explained the issues are usually down to jointers not being familiar with more complex cable types. SSE has no trials in place but they are open to running trials if they are approached by an ICP.

4.3. ENWL has 175 active sites with live regimes (240 sites previously completed) and they are in the process of setting up a live LV jointing trial on existing LV mains cables for January. Like CN they are adopting a "hands off" approach. ENWL has not experienced the same quality issues as SSE. Jointers may have to attend a training school for a few days to familiarise themselves with the cables if the ICP elected to use ENWL's jointing system. To start with ENWL are not including operational work in their trials and this has been mutual acceptable to the trial participants. ENWL have not yet agreed how they will be covering off responsibilities, e.g. loss of supply and the interruptions incentive scheme (IIS). ENWL may start to consider how HV trials can be implemented in the New Year.

4.4. WPD has no current trials but it is open to offers. WPD has had a live jointing scheme for unmetered connections for years in South Wales but the equivalent scheme has not been taken up in its South West area.

4.5. UK Power Networks plans to follow a phased approach to trials – LV first. It is aware that in the past it has been very risk averse and legalistic in response to issues and that it needs to work on this to make trials work. At the moment there is no metered live jointing in UKPN's areas. UKPN support extending contestability.

4.6. CE Electric is in discussions for unmetered trials. It agrees with SSE that quality of jointing and ICP installed assets is not brilliant. CE is keen to move forward with connections to the main.

4.7. SP has 5 live working ICPs operating on networks they have installed and 4 ICPs involved in live unmetered trials. They have had internal discussions on how best to take EoC forward and are waiting to be approached for a trial. SP also agrees in a phased approach to trials with unmetered easiest to extend from the current transfers and disconnections. Second, they plan to encourage ICPs currently jointing onto installed mains to start trials to connect to existing mains on the public highway. Third, they plan to consider HV jointing. SP has concerns on the operational side of LV operations especially switching of the network and network records updating, these concerns are greater for HV working. Kevin Smith explained that currently it takes 6-12 months training to become HV authorised. It was agreed within the group that not all ICPs would be interested in operating at that level unless they did a lot of work in a DNOs area. However the option should be open to them should they wish do such work on the DNOs network.

ACTIONS	OWNER
Ofgem to confirm whether DNO responses to the ENA recommendations were shared.	Ofgem

5. Barriers to the extension of contestability

Identification of barriers

5.1. A discussion took place on DNO trade and safety testing. The discussion on trade testing evolved around cable recognition. It was agreed that a national jointing skills accreditation could be set up which would be recognised in each DNO area to avoid multiple jointing assessments.

5.2. It was discussed whether equipment safety standards could be a barrier if DNOs insisted on being overly onerous. It was also agreed that whilst safety rules may be different in each DNO area, ICP kit could be standard so long as it covered all DNO requirements. It was agreed that DNOs would not be unnecessarily onerous.

5.3. Brian Hoy stated the interruptions incentive scheme (IIS) was a potential barrier to extending contestability and that DNOs would like interruptions caused by ICP work to be exempt from the standard. Chris Bean considered that since ICPs do not get any IIS reward they should not be exposed to penalty payments. He also argued that DNOs must currently consider this in their adoption agreements since it's possible an ICP asset would fail and cause an interruption. Brian Hoy argued that customer minutes lost were likely to be more common when working on existing mains due to the number of customers reliant on each main. Ofgem agreed to consider this and report back to the subgroup at its next meeting.

5.4. Keith Hodson asked whether SLC 15 would need to be updated given the introduction of competition to live jointing, i.e. will it be a contestable or a non contestable activity? It was also asked whether Ofgem would collect data on the number of closing joints completed by ICPs. Ofgem agreed to consider impacts on SLC 15 and report back to the subgroup.

Way forward

5.5. David Overman stated that adoption and connection agreements needed to be put in place as did procedural paperwork. He circulated a draft connection agreement based on a document National Grid use in gas. He pointed out that the original National Grid agreement relates to the relationship between the GDN and an IGT rather than an ICP but that it allowed for an agent.

5.6. It was agreed that the flows in the ENA report were the template for how processes could work. It was also agreed that the way forward was best discussed at the next meeting after DNOs had some experience of trials.

ACTIONS

OWNER

Ofgem to consider how interruptions caused by live working ICPs/IDNOs would be treated by the IIS. What currently happens with third party damage?	Ofgem
Ofgem to consider whether changes were required to SLC 15.	Ofgem

6. Any other business

6.1. The group discussed a version of the NERs requirements document that had been circulated by David Overman. The document had been marked up by Lloyds Register to show the changes being proposed for the implementation of the connections working group report. Chris Bean raised an issue with page 47 of the document. He would expect for an ICP's accreditation to be suspended in certain circumstances, however for other issues he would expect it would be the jointer to be suspended not the ICP. The subgroup agreed with this statement.

6.2. The subgroup were concerned that Lloyds would have the ability to suspend a ICP for dangerous working when they were part way through some work which could leave the site dangerous or customers supplies interrupted. DNOs stated that they would expect Lloyds to discuss issues with them and allow the DNO to suspend work on site before Lloyds suspended an ICP's accreditation. Brian Hoy pointed out that the issue would be discussed at NERSAP on 14 December. Chris Bean agreed to feedback the groups comments to NERSAP.

6.3. SB asked for clarification that for unmetered services, new connections to new mains (not just existing mains) would go ahead. The subgroup agreed that this would happen.

ACTIONS

OWNER

Chris Bean to feedback Subgroup comments to NERSAP.	Chris Bean
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7. Date of next meeting

7.1. It was agreed that the subgroup would not meet again until the end of January, this was to allow progress to be made on trials before the next meeting. It was agreed the following would feature on the agenda of the next meeting:

- Feedback on how trials are progressing
- Ofgem feedback on the impact of extending contestability on the IIS
- Ofgem feedback on the impact of extending contestability on SLC 15
- ENWL and CN update on their framework for best practice