

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
Date and time of
meeting
Location

James Veaney
30 November 2011
14:00-16:00
Millbank

1. Present

James Veaney (JV)	Ofgem	Regulator
Rebecca Langford (RL)	Ofgem	Regulator
David Ball (DB)	ENWL	DNO
Gary Barnes (GB)	Scottish Power	DNO
Neil Magrath (NM)	UKPN	DNO
Paul Smith (PS)	WPD	DNO
Martin Gillick (MG) - by phone	SSE	DNO
Jeff Eggleston (JE)	Northern Power Grid	DNO
Chris Bean (CB) - by phone	Power On Connections	MCCG
Dave Overman (DO)	GTC	IDNO
Patrick Daly (PD)	PN Daly	ICP
Steve Bolland (SB) -by phone	AMEY	UCCG
Tony Dowd (TD)	Lloyds Register	Lloyds Register

2. Actions from the last meeting

- 2.1. At the last meeting an action was placed on sub-group members to provide views on the treatment of non-contestable costs. RL explained that non-contestable costs would be discussed under agenda item 4.
- 2.2. With regards to the action relating to disconnections, it was generally agreed that disconnections were not within the terms of reference of the subgroup. However, DB explained that ENWL were considering how contestability could be extended further which included looking at disconnections. PS explained that he had become aware that the green deal may impact upon disconnections. Ofgem confirmed that the Green Deal did have implications for disconnections and agreed to circulate DECC's green deal consultation.

ACTIONS	OWNER
Ofgem to circulate DECC's consultation on the Green Deal to sub-group members.	Ofgem

- 2.3. The group confirmed that no further progress had been made on identifying common criteria for measuring trial success since the last meeting.

3. Feedback on how trials are progressing

- 3.1. DNOs had circulated information regarding ongoing trials prior to the meeting. RL asked whether any of the group had anything further to add regarding the progress of trials.

- 3.2. SB asked that DNOs confirm whether they had made/planned to make a LV cable identification or grumbler service available to ICPs. ENWL, SP, UKPN, Northern Power Grid and SSE confirmed that the service would be offered if requested but that it would be chargeable. WPD explained that the issue had been raised internally and that they could not yet confirm availability. UKPN explained that while they were offering the service ICPs remained responsible for cable identification.
- 3.3. PD asked if isolating a private HV network would be permitted as part of trial arrangements. DNOs explained that they did not envisage this being part of the current trials and agreed that it was not within the scope of the sub-group's ToR. DB stated that ENWL were willing to discuss the possibility outside of the sub-group.
- 3.4. SB explained that he was aware that WPD had been progressing the possibility of trialling jointing to overhead lines. He asked whether other DNOs were in a position to consider doing the same. It appeared no other DNO had been approached and therefore had not looked into it.

4. Non-contestable costs

- 4.1. NM explained that UKPN had considered including non-contestable costs as overheads but believed separate non-contestable charges to be more appropriate.
- 4.2. GB explained that where SP has to visit sites it will recover costs. He expected charges to be site specific rather than recovered through overheads. He also explained that SP would be considering what if any changes would be required to Inspection and Monitoring charges. MG considered that SSE would take the same approach. JE stated that there was potential for Northern Power Grid to develop scheduled rates or an adoption fee charge.
- 4.3. CB did not consider that extending contestability to jointing to existing mains would have much effect on DNOs' costs and that therefore there should not be an increase in charges. DB explained that there would be a small cost for each individual scheme but that over a number of jobs it could build to be a significant overhead. SB considered that if genuine costs were incurred, that were not recovered elsewhere, non-contestable charges were reasonable. He highlighted the need for quotes to be transparent and include cost breakdowns.
- 4.4. CB considered that if ICPs were able to do their own cable identification it would avoid duplication of costs. He explained that further extensions of contestability should avoid extra costs being incurred.

5. Ofgem's Consultation

- 5.1. RL explained that Ofgem intended to consult on whether 'in principle' contestability should be extended to jointing to existing DNO mains and associated operational activity. She sought the group's feedback on a draft open letter consultation that Ofgem intended to publish in December.
- 5.2. It was agreed that the consultation should refer to extending contestability to jointing to existing DNO mains and associated operational activity rather than 'live jointing' as HV joints were not live. It was also agreed that where the consultation asks 'in which segments of the market do you consider that contestability should be extended?' the table should be simplified to include only LV metered, unmetered and HV.

- 5.3. NM considered that questions should be more open and that they should ask respondents to provide the reasons behind their views. He also considered that the consultation should highlight what aspects of the DNOs' trials worked well.
- 5.4. The group agreed that a question should be added asking 'Do you consider that there is scope to extend contestability further in the future? If so how?' It also agreed that the consultation should consider the application of SLC 15.
- 5.5. CB considered that the group should be careful not to add too much to the consultation as it needed to remain succinct.
- 5.6. RL agreed to consider the sub-group's comments and circulate a revised draft of the consultation prior to publication.

ACTIONS	OWNER
RL to circulate a revised draft of the consultation to sub-group members prior to its publication	Ofgem

- 5.7. Subgroup members raised concerns that it can take 10-12 weeks for ICPs to become authorised to complete joints. They considered that in the event contestability is extended, this should be considered. ENWL explained that it was encouraging ICPs in its area to get authorised now. SB considered that the situation could be worsened if DNOs insist that ICPs use their specific training centres. Whether the SLC 15 standards for final connections would still apply if a DNO made an activity contestable (by amending its charging methodology) was also questioned.

ACTIONS	OWNER
RL to consider whether SLC 15 would continue to apply where a DNO made final connections contestable in its charging methodology.	Ofgem

6. The future of the sub-group

- 6.1. RL explained that Ofgem planned to make a decision on whether 'in-principle' contestability should be extended to existing DNO mains and associated operational activity in February 2012. She explained that she expected the sub-group to meet again prior to the publication of that decision.
- 6.2. She explained that after that the future of the sub-group was not clear. CB considered that following Ofgem's decision the ECSG could decide if further meetings of the extension of contestability sub-group were required. It was agreed that this was a sensible way forward.