

SP Energy Networks

Competition in Connections Review 2014:
Facilitating effective competition.

SP Distribution plc
SP Manweb plc
November 2014

Single
House



Business
Premises



Industrial /
Commercial



House
Builders



Temporary
Connections



Disconnections



Competition
in Connections



Connecting
Distributed
Generation







COMPETITION IN CONNECTIONS REVIEW 2014: FACILITATING EFFECTIVE COMPETITION

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COMPETITION IN CONNECTIONS REVIEW 2014: FACILITATING EFFECTIVE COMPETITION

1. INTRODUCTION

Following on from SP Energy Networks (SPEN's) Competition Test Notice of 16 August 2013 and SPEN's Competition Test Annual Report submitted on 28 June 2014, we welcome the opportunity to now respond to Ofgem's consultation – *Update on competition in connection market review: issues limiting effective competition*.

This report constitutes our response to Ofgem's consultation and responds to the following questions raised:

1. **Please let us know if any of our issue descriptions do not adequately reflect your experience of the market.**
2. **Please provide comments on the solutions that stakeholders have suggested to deal with the issues that have been identified. Let us know if you have any other ideas.**

The data submitted in our submissions to date indicates that there is overall continued actual competition and scope for potential competition in many relevant segments. Customers are aware of competitive alternatives. The SPEN organisation through both of its licensed distribution entities; SP Distribution plc (SPD) and SP Manweb plc (SPM) **continue to invest in systems and processes to facilitate competition.**

In addition, **SPD and SPM continually seek to improve the quality of service offered to all** of their customers and continue to maintain and build upon all the information and initiatives that were detailed within SPEN's 2013 Competition Notice and 2014 Annual Report. We are confident the actions SPEN has taken already and its ongoing initiatives in these areas will ensure that there is demonstrable and continued development in the Competition in Connections (CiC) market.

We would highlight in particular:

- In accordance with SPEN's approach of exceeding SLC 15 timescales, the most recent performance report in relation to Q2 2013-2014 showed **100% compliance** for both licenses – this is also against the backdrop of a year on year **increase in our interactions** with competitors for this quarter (**SPD +16%**) and (**SPM +11%**);
- Agreement with **two IDNOs to trial self-determination of POC** and SPEN continues to encourage more customers to take up this option;
- Well established process to issue **dual offer letters** within HV/EHV Demand and Generation market segments, and progressing the roll out to other connection offers;



- SPEN's ongoing efforts to implement more streamlined and cost **efficient land rights processes**;
- Dialogue commenced at senior level to develop an **emergency support arrangement** with IDNOs;
- Continued **active dialogue** with ICP/IDNOs and DNOs to further best practice sharing and action plan setting; and
- **Positive feedback** received from all stakeholders and Ofgem on the **SPEN Incentive on Connection Engagement (ICE)** trial 'Looking Back' and Looking Ahead' work plans for the Distributed Generation (LV and HV) market segments.

We would emphasise the significance of ongoing development in the CiC market and that CiC is an ongoing process to be robustly and regularly assessed and developed further, rather than being a static process. We therefore continue to welcome and encourage engagement with Ofgem, the Electricity Networks Association (ENA), the Competitive Networks Association (CNA), the Meter Connections Customer Group (MCCG) and other stakeholders in relation to CiC, which seeks to continuously develop CiC beyond the end of 2014 and has as its scope more than just the assessment of the Annual Report. The process must facilitate an industry wide understanding the market segments from year to year.

SPD and SPM continue to satisfy the Legal Requirements Test. As stated in SPEN's Annual Report 2014 SPEN continues to satisfy the Competition Test in the relevant segments. As set out in SPEN's 2013 Competition Notice and 2014 Annual Report and as further supported in this response, SPD and SPM continue to:

- Facilitate competition in the market segments;
- Remove perceived barriers to entry;
- Have a significant number of active ICPs and IDNOs which highlights an open competitive market is working;
- Actively promote awareness of competitive alternatives to customers; and
- Facilitate the connections process for ICPs and IDNOs with revised processes and procedures.



2. FACILITATING COMPETITION

2.1 Overview

This section sets out the views of SPD and SPM on the issues raised in Section 3 of Ofgem's consultation document. Our response to each issue should be read in conjunction with SPEN's Competition in Connections Action Plan, a copy of which can be found in Appendix 1.

In the following pages we have sought to:

1. **Summarise our understanding** of the issues raised;
2. Where appropriate, comment on **what we have done** to address the respondents' immediate concerns; and
3. Detailed the **next steps underway** and/or plan to address the longer term.

The review and progress of SPEN's Competition in Connection Action Plan are based on the principle of continuous improvement, as is our approach to all our business and customer engagement plans.



2.2 Issue A – The DNO’s level of control over the connections process

2.2.1 The Nature of DNO accreditation Regime

Our Understanding of the Issue

All craftsmen, regardless of whether they are employees of SPEN, an ICP or another contracting body, are required to separately hold an authorisation for the appropriate task and voltage level they are intending to be working on. All jointers need to be assessed via a Jointing Competency Assessment to establish their understanding of ScottishPower Safety rules, techniques and procedures. They will then receive a record of assessment.

SPEN's route to authorisation was established to ensure **anyone who gains access to the electricity network is deemed competent** to carry out the task to ensure quality of the joint and safety of the craftsmen.

‘No person shall be engaged in any work activity where technical knowledge or experience is necessary to prevent danger or, where appropriate, injury, unless he possesses such knowledge or experience, or is under such degree of supervision as may be appropriate having regard to the nature of the work’. (Electricity at Work Act 1989, section 16)

To adhere to the above regulations SPEN has created a robust authorisation process to ensure anyone who works on the SPEN electricity network satisfies the above requirements.

SPEN takes on board the concerns expressed by ICPs regarding the differences in authorisations between DNOs. We are proactively **progressing a national solution in a number of areas and these may help to address these concerns**, as described in detail below.

What we have done:

National Authorisation Scheme

In order to meet the new challenges **SPEN together with National Grid and the National Skills Academy for Power (NSAP) have developed a national accreditation scheme** to ensure there is a *‘competent workforce is in the power sector founded on competence based qualifications’*.

It was identified that:

- There is currently no universally accepted skills recognition or registration scheme;
- Network Owners do not have a national scheme which is robust;
- Contractors are frequently subjected to additional ‘trade testing’ or assessment and additional training; and
- There is no standardisation of qualifications and core training delivery.

It is generally accepted that the current position is unsustainable; with significant training centre capacity being devoted to what could be unnecessary duplication of activity.



SPEN together with National Grid and NSAP have set up regular quarterly meetings with other DNOs and large contracting companies to **create a national competency accreditation to bring together authorisation categories between companies**. This will result in the gaining of a competent skill in one DNO that can be transferred to all other DNOs.

The intent is to:

- Unify the core competencies for all employers;
- Establish a robust mechanism for consistent assessment of competence;
- Establish a robust quality assurance and external verification process for training provision;
- Confirm the use of a robust competence registration system; and
- Improve training efficiency.

There are currently varying differences in authorisations between DNOs that cannot easily be resolved. For this reason the 80-20% rule has been identified. The intention, where possible is to gain 100% adherence by all DNOs, but due to the various differences in network build and local anomalies, some competencies will possibly require an extra interview or half day training (this is the 20% top up). However, the NSAP scheme will still significantly reduce the timescales for some authorisation and access to the network.

Good progress has been made so far where authorisations **for metering** (SMICOP – Smart Metering Installation Code of Practice) are now nationally accepted, along with **independent access to substations** (AME-SS – Access, Movement, Egress, Substations). These are **now nationally registered with EUSR (Energy and Utility Skills Register)** as a vocational accreditation. It is expected within the near future that ‘safety document receipt’ for HV/EHV works will be nationally accredited.

Staff moving between companies

If ICP staff move between companies then a new certificate will be issued. The average time to issue this is 1-2 days. **This does not affect their ability to carry out the work;** it is mainly an administration process to ensure our records are kept up to date to proactively inform the authorisation holder of any relevant updates or that their authorisation is due for refreshing.

What we are doing:

We are continuing to work with NSAP to create a national competence registration process that is, not only, robust, but provides a consistent mechanism for quality assurance and safety. **SPEN are also looking to get ICPs and IDNOs included in this scheme.**



2.2.2 How DNOs determine the Point of Connection (PoC)

Our Understanding of the Issue

SPEN consistently adheres to the principle of minimum scheme, as defined in the Common Connection Charging Methodology (the CCCM). SPEN's compliance with the CCCM is a licence obligation.

"The Minimum Scheme is the Scheme with the lowest overall capital cost (as estimated by us), solely to provide the Required Capacity."

All things remaining equal, the POC provided to SPEN's own connections business will match those offered to competitors. We have responded to challenges from competitors about different POCs being issued (both to other ICPs and to our own connections business). These challenges can normally be explained by the fact that the technical requirements of POC requests are often in themselves different, i.e. the required capacity may not be the same.

SPEN acknowledges the need for competitors to be given the ability to self-determine the POC. For this reason **SPEN has a commitment** from 2 IDNOs to develop trials further. **SPEN is also keen to progress trials** with ICPs to develop the self-determination of POC product.

SPEN recognises and **supports the need to complete legal processes in a timely manner** and has streamlined its processes. SPEN will **always seek sufficient land rights** for projects, as this is **vital for current and future customers**. SPEN continues to support and contribute to further discussion of the legal process where further improvements will improve the connections process.

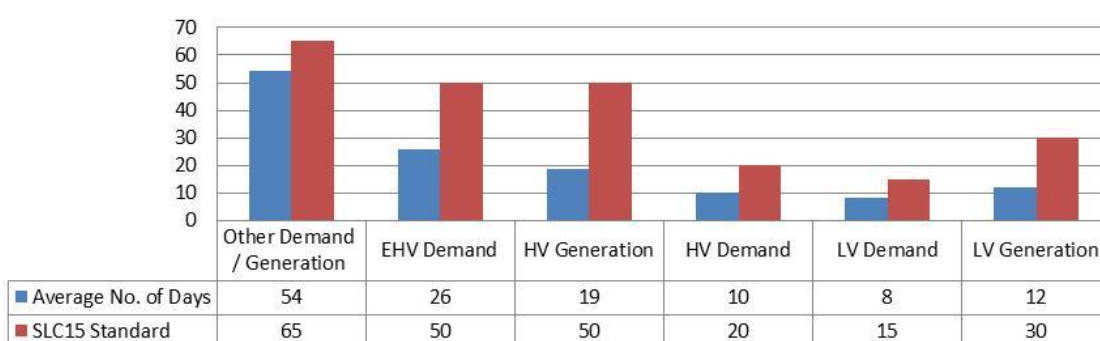
Please see paragraph 2.7 below in relation to our position and initiatives on Land Rights and how these affect timescales, including in relation to third party land.



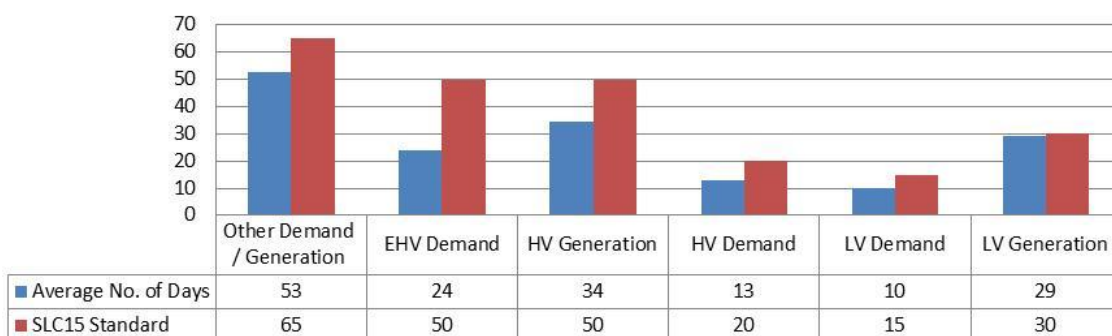
What we have done:

- **Self-determination of POC in unmetered** relevant market segment (RMS) is contestable;
- We recognise that determination of the POC is fundamental to the ICP process and to this end we **always strive to exceed SLC15 timescales**; and
- Our performance for 2014 is shown below.

**SPD Average No. of days to issue PoC quotes compared to SLC15 standard
January to September 2014**



**SPM Average No. of days to issue POC quotes compared to SLC15 standard
January to September 2014**



We consistently outperform SLC15.

In order to further assist the ICPs:

- We have offered **trials for self-determination of POC in metered connections <200kVA**;
- Access to our designers is provided upon request at local offices; and
- **ICPs and IDNOs have free access to our GIS network records**, which shows cable location and size. Also, they have **access to our operational line diagrams** (see Appendix 5).



To ensure we offer the same POC to all parties:

- Quotes issued by **SPEN will use the same team to determine the POC**, thereby ensuring the same POC is used for all quotes. This applies to full works and non-contestable only quotations (for the same development and load);
- We have a **dedicated Process and Compliance team** which is responsible for all connections regulatory reporting (including SLC12, 15 and 15A) and for ensuring internal licence compliance generally. A key focus of the Process and Compliance team is the discharge of our SLC19 obligations; and
- We recognise that the ease with which a party is able to make an application is an essential aspect of any connection request. We have in place **robust systems and processes that are consistent across both licenses to support the management of Competition in Connections**, ensuring compliance with regulatory obligations whilst also ensuring optimum delivery of service to our customers.

SPEN's current policy and practice in respect of obtaining land rights is addressed in Section 2.7.

What we are doing:

- We are continuing to develop **self-determination of POC** trials for loads <200kVA. We have a **commitment from two IDNOs to work with us to develop these trials**. These trials will take place in both our SPD and SPM licensed areas; and
- Consideration is being given to extending our local access to ICP designers and information by provision of further system or hot desk facilities at SPEN specific locations.



2.2.3 The way in which DNOs approve connection designs

Our Understanding of the Issue

SPEN recognises the need for independents to quote and complete work within times analogous to that of the DNO. SPEN recognises furthermore its own part in achieving this. We have outlined in Appendix 1 the measures which we have taken and those which we are seeking to implement to remove ourselves further from the ICP critical path. **Streamlining the design approval process** is an important part of this.

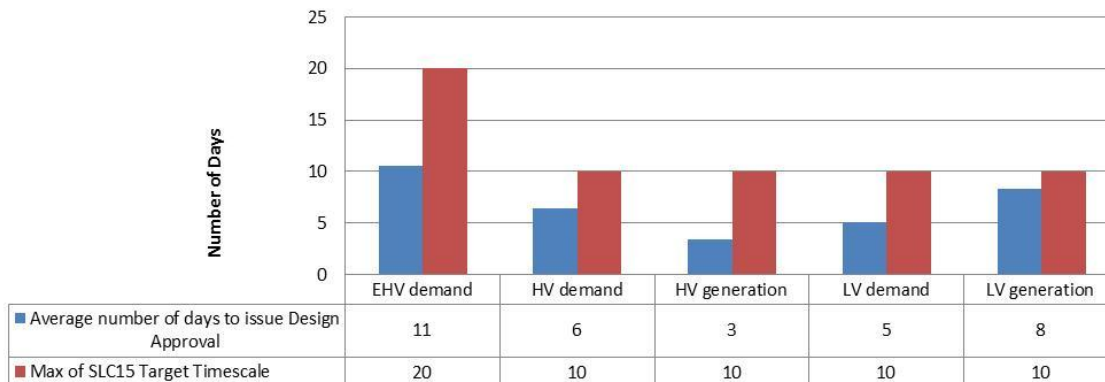
What we have done:

Our current policy is:

- **No requirement for design approval for UMS;**
- No design approval rejection without **speaking to the customer first**; and
- ICPs will be given the **opportunity to resubmit**, providing we are within SLC15 timescales.

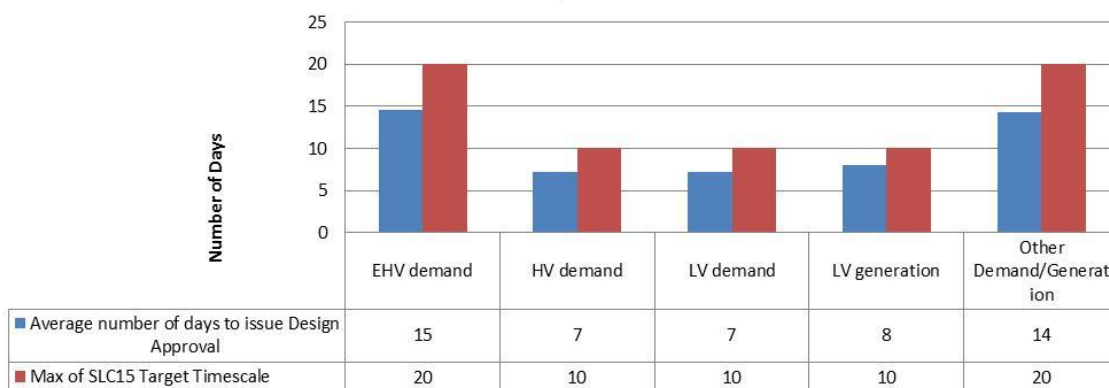
In addition to this, we **always strive to exceed SLC 15 timescales**. Our average performance is shown below.

**SPD Average Number of Days for Design Approval for all RMS
Adopted by IDNO or Fully Adopted
Jan - Sept 2014**





**SPM Average Number of Days for Design Approval for all RMS
Adopted by IDNO or Fully Adopted
Jan - Sept 2014**



We recognise that Design Approval is on the ICP's "critical path" and where requested, we have worked, on an informal basis, with ICPs in allowing them to **commence work on site ahead of Design Approval**. Our agreement to do so is made on the basis that any **work carried out is at the ICP's risk**.

What we are doing:

- We are **proposing to formalise the process** outlined above where the ICP can start on site ahead of design approval;
- We are proposing to introduce a **tiered Design Approval system**, similar to the Inspection and Monitoring process, whereby the experienced designer receives less formal checks on their design than that of an inexperienced designer. It is envisaged that the experienced designer may only have one in three of his designs approved. **SPEN propose to consult with the ICP community before implementing any such policy.** We will engage with Ofgem to ensure we report correctly under SLC15; and
- We are updating our asset policy documents and will engage with ICPs to facilitate, where appropriate, the approval of alternative ICP standard designs.



2.2.4 The requirement for IDNOs to fund and install link boxes

Our Understanding of the Issue

Link boxes are considered by IDNOs to be a major barrier to competition, especially where overall connection costs are low. In recognition of this, **SPEN has sought guidance from the Health & Safety Executive (HSE) regarding their requirement.**

SPEN acknowledges more generally the significance of the scale of non-contestable costs. As part of our annual review we are **currently assessing our non-contestable charges** and the basis of their application.

What we have done:

We consider there are **two fundamental** issues:

1. The **requirement** for link boxes; and
2. The **funding** of link boxes.

We have reviewed legislation and industry codes to consider the requirement for link boxes.

- The **Electricity at Work Regulations 1989** refers to the need to be able to disconnect the supply of electricity to any electrical equipment;
- The **Distribution Planning and Connection Code** refers to the need to be able to disconnect an IDNO's network from the DNO's network. It does not specify how this is achieved. It also requires arrangements for protection at the ownership boundary;
- **G88** recognises that it is the responsibility of the DNO and the IDNO to agree details of protection and operational issues relating to interface assets; and
- The **Electricity Safety, Quality and Continuity Regulations 2002 (ESQCR)** requires that DNOs are responsible for having in place protective devices which prevent current from flowing in their network at times where such a current flow would be dangerous. DNOs are also under a duty not to allow an IDNO to connect to its network if the DNO has reasonable grounds for believing that the IDNO fails to comply with certain standards or its network is not constructed so as to prevent danger or interruption of supply.

We accept the above could be open to interpretation. For this reason we have approached the HSE for their interpretation and currently await their response.

What we are doing:

Once we have received the formal response from the HSE, we will share the feedback with the industry and Ofgem. Should the HSE confirm there is a requirement for link boxes, we will engage with Ofgem to explore potential funding mechanisms.



2.2.5 How DNOs inspect and monitor new assets provided by their competitors

Our Understanding of the Issue

SPEN recognises the need for independents to complete work within times analogous to those of the DNO. ICPs have indicated that inspection and monitoring can delay the speed of connection. We consider the best means of ensuring that inspection and monitoring is not a contributing factor to the speed of connection is to **have in place a system which encourages reductions in the frequency of defects.** We will be **consulting with ICPs on potential changes to our inspection and monitoring regime.** Our proposals may in addition help reduce levels of non-contestable charges.

What we have done:

- We use **Lloyds (NERS) to accredit ICPs** to carry out work that we will adopt. The ICP needs to be accredited for the scope of work they undertake. **This is a national scheme;**
- **SPEN term contractors are accredited using Achilles UVDB Verify.** Achilles carry out an independent audit of the contractors' Safety, Health, Environment and Quality (SHEQ) management systems. All contractors must hold Achilles Accreditation before they can tender for SPEN contracts;
- SPEN contractors are audited by team leaders or operational compliance staff to ensure the work is carried out to the appropriate standards;
- The current ICP Inspection and Monitoring regime complies with the principles set out in the Ofgem "Competition in Connections to Electricity Distribution Systems Decision Document – Part B February 2005 60/05". In line with this document we include a **hierarchy of inspection levels.** The inspection levels are tailored to the individual ICP's experience, skills and quality of work delivered; and
- We are holding **regular meetings with the ICPs to feed back any issues** identified during the inspection and monitoring process.

What we are doing:

- We are proposing to **consult with ICPs on the way we charge for Inspection and Monitoring.** Currently we charge based on the ICPs' level within the hierarchy outlined above. We are considering a move to a regime which is **aligned to a charge which is levied on a "non-conformance" basis,** i.e. charges will only be levied where SPEN is required to conduct additional work to revisit the site to check that non-conformances have been corrected. We believe this **has the potential to drive the right behaviour in the ICPs to "get it right" first time.**



2.2.6 Inconsistent application of planning and design standards

Our Understanding of the Issue

We recognise the need for consistency in all areas, including in the application of planning and design standards. **To ensure long term maintenance, equipment stock and efficient repair service** to customers, post asset adoption from the ICP, it is vital that SPEN has a clear set of standards established. **We are open to working with ICPs to consider alternative solutions** to our current standards.

What we have done:

SPEN's standards and policies apply equally across our licensed and competitor connections activity. Their purpose is to ensure consistency of application across the Business.

As part of Scottish Power Group governance policies, all quotations are required to be signed by two authorised signatories prior to issue. This additional overview for connection quotations helps reinforce consistency in our design quotations.

What we are doing:

- We will continue to work with ICPs to consider alternative solutions to our current standards.



2.3 Issue B – The customer's experience

2.3.1 Customers do not know they can use alternatives

Our Understanding of the Issue

We recognise our role in ensuring that customers are aware of competitive alternatives at the earliest stages of the connections process. For this reason **we have focused our efforts on promoting competition in connections at the point of the customer's initial contact with us**, whether through our Contact Team, email correspondence or our Network Connections website.

What we have done:

- Our **customer contact teams** are the first point of contact for new telephone, email and letter enquiries for customers seeking information on new or modified connections. Our customer contact response facilitates:
 - **Email auto-response** confirming receipt of email and information regarding **Competition in Connection opportunities**; and
 - **Interactive Voice Response (IVR)** which includes a **message** to make our customers **aware of competitive alternatives** and direction to our Competition in Connections website.

Our Contact Team are provided with guidance enabling them to answer questions on Competition in Connections. Where they are unable to respond to specific queries calls can be transferred to our Competition in Connections team;

- We publish a **guidance leaflet "Providing you with a choice"**, which provides an overview of the Competition in Connections process and an explanation of the differences between contestable and non-contestable works. Copies of this leaflet are **issued to our customers in response to new connections enquiries**;
- We prominently advertise the availability of Competition in Connections on our **website**;
- Our **connections application form** provides customers with the ability to request a quotation for the full connections works, the non-contestable works only or both simultaneously; and
- Our **quotation letters** highlight the customers' right to seek a competitive connections quotation.

What we are doing:

- We continue to develop our detailed work plans under the **Incentive on Connection Engagement (ICE)**. Our work plans will contain objectives for improving customer service and will highlight actions underway to improve connections processes and service. We will ensure ICPs and IDNOs are involved in their development to ensure customers get independent feedback on competitive choices;
- **Positive feedback** received from all stakeholders and Ofgem on the SPEN Incentive on Connection Engagement (ICE) trial 'Looking Back' and Looking Ahead' work plans for the **Distributed Generation (LV and HV) market segments**;



- **Our ongoing analysis of performance across the 9 RMSs**, including comprehensive market shares analysis, enhances our understanding of competitor activity and customer behaviours within each RMS which improves our ability to proactively identify real or perceived barriers. Our **enduring Competition in Connections Action Plan** will continue to be developed based on this work; and
- In our efforts to improve the effectiveness of the guidance provided to our customers, we are sharing our “Providing you with a choice” guidance leaflets with the ICPs and IDNOs active in our license areas. We have **encouraged feedback** on areas of further development.



2.3.2 Customers are reluctant to use alternatives

Our Understanding of the Issue

We understand that **some customers may be reluctant** to consider the **use of an alternative connection provider**. For this reason we have made significant efforts to:

- Make customers aware of **competitive alternatives**;
- Better **explain** the competition in connections **process**;
- Make customers aware of how they can make **contact** with **alternative connection providers**; and
- **Reduce the timescales** associated with the competition in connections process.

What we have done:

We have responded to feedback from competitors active in our license areas who have requested that we consider means of minimising our control over the connections process. We have done so in recognition of concerns that the timescales involved in the competitive connection process may be greater than those associated with connections progressed directly from ourselves.

- We have **offered Self Determination of POC trials** for connections of up to 200kVA;
- We consistently provide POC quotations **significantly within SLC 15 timescales**;
- It is method of working to:
 - Never reject a design approval without **first speaking to the customer**; and
 - To **allow connection works** to commence **in advance of Design Approval** being concluded
- LV and HV final **closing joints** are a **contestable activity**; and
- We allow connection works to be completed in advance of legal land rights being finalised. Final energisation will take place upon completion of the necessary rights.

What we are doing:

- We are **formalising our method of working** to ensure that:
 - We **do not reject** a design approval **without first speaking** to the customer; and
 - **Connection works** can be commenced **in advance** of Design Approval being concluded.



2.3.3 Customers that want to use a competitor find difficulty in accepting just the non-contestable part of the DNO's quote

Our Understanding of the Issue

We recognise the benefits of customers having the ability and necessary information available to make an informed decision about whether the DNO provides the full connection works or simply the non-contestable element. Through our application paperwork a customer can simultaneously request quotations for both. In addition, **dual offers (convertible quotes)** are currently **offered for 3 market segments**. We will be **extending this to the LV and HV RMSs** in the first half of 2015.

What we have done:

- We have been issuing “dual offer” (convertible) quotes for all EHV demand and generation connections;
- This has been **Business as Usual for the last 14 months**; and
- In response to our **Competition Test Notice** we were told:

“The SPEN connection application process is better than that of most DNOs in terms of facilitating the comparison of DNO and ICP quotes. It is helpful as on request the customer can obtain both the contestable and the full works quotes via a single application process.”

What we are doing:

- We are **currently developing the processes and scoping the IT changes** required so we can extend the dual offer product to **HV demand and HV generation** connections in early 2015; and
- Once the above process is bedded in for the HV market segments, we will **roll the dual offer out** to the **LV demand and generation market segments** by the summer of 2015.



2.4 Issue C – The impact of regulatory regimes and requirements

2.4.1 The licensees' statutory powers

Our Understanding of the Issue

SPEN rarely uses its statutory powers to obtain wayleaves as our preferred approach is to work with our stakeholders to achieve consents granted through negotiation with the relevant third party landowners rather than compulsory means. Our statutory powers in respect of street works are made under Section 74 of the New Roads and Street Works Act (NRSWA) whereas ICPs rely on Section 50. We understand that the ICP is not granted the same rights under Section 50 and its obligations are potentially more onerous.

What we have done:

- We have been aware of difficulties some ICPs have had issuing Section 50 notices to some local authorities. Where asked by the ICP, and where appropriate, we will continue to support the ICP in meetings with local authorities to progress the works.

What we are doing:

- We will continue to work with any ICP or IDNO facing challenges in this regard.



2.4.2 The DNOs and IDNOs' licence requirement to provide an emergency response service

Our Understanding of the Issue

As a DNO, our operational response teams are resourced towards responding to faults on the SPEN network. **In ED1 we have committed to further significant improvements to our standards of service** in repairing faults and enhancing our network performance and network resilience.

Network Performance	Enhancing Resilience	Network	Guaranteed Standards
We will reduce the average number of times our customers lose their power supply by 7%.	We will ensure that all of our rural customers benefit from a distribution network that is resilient to severe weather events by 2034.		We will reduce by 70% the number of customers experiencing a power cut of greater than 12 hours by 2016.
We will reduce the length of time those customers are without power by 16%.	We will make 25% of our rural high voltage network resilient to severe weather by 2023 and we will continue investment in our low voltage overhead line networks making a further 6% resilient by the end of 2012.		We will aim to reduce by 100% the number of customers experiencing a power cut of greater than 12 hours by 2023.
By doing this we will reduce the average time our customers are off supply by 25%.	We will deliver a guaranteed standard to reconnect our customers after storm events within 36 hours.		We will target zero failures in all other guaranteed standards.
We will improve service to 40% of our poorly served customers.	We will accelerate our fluvial (river) flood protection plans to be complete by the end of March 2015.		We will double the compensation for all guaranteed standards failures (excluding exceptional events, e.g. storms where we make other arrangements).
	We will mitigate pluvial flood risk at 28 high risk grid and primary substations.		
	We will increase substation battery life to 72 hours in the event of major power losses.		



What we have done:

- Under **ED1** we have made further **challenging commitments** to achieve reductions in restoration times, CML and CI;
- Our approach to date is that **we provide an emergency response to ICP and IDNO networks** where there is a safety issue and we are able to attend site and make the situation safe. We have provided this support only when requested and resources are available to attend and progress; and
- We will continue to provide this service, notwithstanding SPEN's obligations are first and foremost to customers directly connected to our networks.

What we are doing:

- We are currently in dialogue with a representative of the IDNO community about **developing the detail of an emergency service response**. It is our intention that the offer of any such service would be available to all competitive providers.



2.4.3 The ability of DNOs to provide part-funded connections

Our Understanding of the Issue

We have **analysed POC quotations in 2013/14** to understand the **numbers of jobs which include part-funded reinforcement works**. Our analysis is replicated in the table below:

Voltage at POC	HV	LV
SPD	4%	3%
SPM	4%	4%

Whilst this data would indicate that **volumes of part-funded reinforcements are minimal**, we **recognise ICPs' willingness to compete for these works**. From the few trials that have been considered for development we are **aware that significant issues remain unresolved**. For this reason we believe that this initiative **must be progressed by the industry** through the formation of a **working group rather than on an individual DNO basis**. We are committed to supporting any such group.

What we have done:

- We attended and **proactively engaged** in the Ofgem led industry working groups on part-funded connections.

What we are doing:

- We have reviewed the information provided to us by WPD, which **outlined the difficulties they faced in trialling competition** in part-funded connections. Our reason for so doing is to assess how a meaningful trial might be progressed within our own license areas;
- We will proactively **support future DNO and Ofgem led industry working groups** on this matter; and
- We are currently **concluding user acceptance testing for further improvements to our connection charge breakdown** in our full works and POC quotations. An extract from our new template letter showing this breakdown is provided in Appendix 4.2. Features include:
 - A **"Bill of Quantities"** style breakdown;
 - **Clearer differentiation** between contestable and non-contestable costs; and
 - **A breakdown of apportioned charges**, providing clarity of cost sharing between SPEN and the customer.



2.5 Issue D – Transparency of pricing

Our Understanding of the Issue

We acknowledge the role quotations play in facilitating competition. We are committed to **ensuring our quotations are transparent** with works clearly described and contestable and non-contestable costs unambiguously defined.

What we have done:

- **Dual offer (convertible quotes) are offered** within the following market segments:
 - HV and EHV work (demand)
 - EHV work and above (demand)
 - DG EHV
- **Our dual offer gives the customer the option** of accepting either the POC works only or the full connection works. An extract from our dual offer is provided in Appendix 4.1, highlighting the connection charge breakdown provided and the split of costs between contestable and non-contestable work categories; and
- In response to our **Competition Test Notice** we were told:

“Quotes provided are clear, transparent and SPEN automatically provide a breakdown of assets and costs which is essential for customers to make an informed decision. SPEN provides a good level of breakdown in comparison to other DNOs.”

What we are doing:

- We are **finalising the system changes to deliver further improvements to our connection charge breakdown** in our full works and POC quotations. An extract from our new template letter showing this breakdown is provided in Appendix 4.2. Features include:
 - A **“Bill of Quantities”** style breakdown;
 - **Clearer differentiation** between contestable and non-contestable costs; and
 - **A breakdown of apportioned charges**, providing clarity of cost sharing between SPEN and the customer.

These improvements will go-live during November 2014.
- We are **currently developing the processes and scoping the IT changes** required so we can extend the dual offer product to **HV demand and HV generation** connections in early 2015; and
- Once the above process is bedded in for the HV market segments, we will **roll the dual offer out** to the **LV demand and generation market segments** by the summer of 2015.



2.6 Issue E – Competition not viable for certain types of connection

Our Understanding of the Issue

We recognise that **competition has not fully developed in some RMSs across the UK**. We consider **the following factors**, additional to those highlighted in the consultation, **should be considered as having impacted competition**:

- **Geographic factors** and the strategic decision making of independents to expand (or not) in any particular area of the UK;
- **Economic conditions** prevalent across the UK that affects both public and private sector investment in growth associated to the RMSs;
- **Technical complexities and skills capability** of independents, i.e. DG schemes, overhead line resources; and
- **The ability of independents to ‘cherry pick’** the market, the projects and locations they wish to operate.

What we have done:

During 2013/14 we have noticed **improving trends of market penetration for competitors** in many of the RMSs most typically characterised by their comparatively low volume of work. These include:

- **HV/LV with EHV Work (Demand) – reduction in SPD and SPM** market shares based on **volume and value**;
- **EHV Work and above (Demand) – 100% of quotes issued to independents**;
- **LV Generation – reduction in SPD (volume) and SPM (volume and value)** market shares; and
- **EHV and HV Generation – reduction in SPD** market share based on **volume and value**.

We believe this **trend of increased market penetration** has in part been **facilitated by our continued focus** on:

- Removing perceived barriers to competition;
- Increasing customer awareness of competitive alternatives;
- Facilitating competition through improved procedures and processes;
- Continued improvements in the transparency of pricing to our customers; and
- Our efforts to open up non-contestable activities to competition.

What we are doing:

- We will continue to work with any ICP or IDNO wishing to enter any market segment.



2.7 SPEN's Land Rights Approach

We recognise the significant part a DNO's policy on, and approach to, land rights can play in the overall connections timescales, regardless of who carries out the connection works. For this reason **we consider it important that we fully explain our approach to land rights in this response and the initiatives we have taken to streamline where possible the process.** SPEN feels that its approach and initiatives also address some of the specific issues in relation to PoC timescales.

A **key principal underpinning our approach** to securing land rights is a **presumption that permanent land rights will be sought in the first instance**, ensuring SPD and SPM maintain an **efficient, co-ordinated and economical system of electricity** distribution as required by both statute and licence conditions (the Land Rights Objectives). This **presumption may be departed from on a case-by-case basis** depending upon the particular circumstances.

Following feedback from members of the Competitive Networks Association (CNA) regarding perceived inconsistencies in approach to land rights between DNOs, **we reviewed other DNOs' publicly available information** (from their websites) setting out their land rights approaches (Appendix 6). This comparison indicates that there is **overall a similarity of approach between DNOs** and that **our approach** is consistent in that it **seeks to minimise timescales** whilst **ensuring that requirements are proportionate** to the Land Rights Objectives.

What we have done:

- We have **rolled out the Streamlined Process in the SPD licence area**. This is **designed to speed up connections**. In terms of title diligence, the process is that the IDNO's are required to give SPD their title deeds for examination. SPD's will then respond with observations on those titles within 5 days (unless complex). Central to the principles of the streamlined process is the agreement that SPD's lease and the IDNO's title can be completed at or around the same time; and
- **Feedback** following the implementation of the streamlined process **suggests that improvements have been achieved** and we remain **committed to continuing our engagement with the IDNOs to address and resolve challenges mutually faced**.

What we are doing:

- Working with the CNA, we are currently in the process of adjusting the supporting legal documentation to allow the **Incorporated Process** to commence in SPM. Finalisation of the Incorporated Process has been delayed as a result of points raised by one CNA member, mainly in relation to conveyancing formalities. **We are actively engaged with the CNA to resolve these final points** and are currently, awaiting confirmation from the CNA on several outstanding points which will allow for implementation. The following benefits are achieved through the Incorporated Process:



- **No requirement for SPM to take a separate lease** of premises within a close-coupled substation site. SPM instead relies on rights granted to the IDNO in its Land Transfer;
- **No requirement for SPM's solicitors to review the title** to the substation site as this is provided by the IDNO's solicitors through a **Certificate of Title**;
- **Reduced timescales and expenses for both IDNOs and SPM**, as no need for solicitors to adjust and agree lease terms or review title; and
- **Removal of pre-condition that the connection would only be energised once the lease is in an agreed form**, signed by the IDNO and delivered to SPM.

Note: The Incorporated Process is unsuitable for application in Scotland due to differences in Scots law and English law.



3. COMPARISON OF ELECTRICITY AND GAS CONNECTIONS

In Ofgem's update of the 7th October 2014, reference is made in Section 2 to the development of competition in the electricity connections market in comparison to that in the gas connections market.

Differences in the Gas and Electricity Markets

There are similarities between the **gas market and electricity market**, but there are also a number of **key differences**. It is therefore necessary to understand where parallels can be appropriately drawn.

1. There is **only one gas main** in the carriageway, but in **electricity there can be several cables**. The cables can be **loaded differently** and a connection needs to be to the correct cable.

This is one of the key reasons why it is difficult to produce a "gas style" matrix, whereby you can connect a certain load to a particular sized cable.

2. There is a **national gas specification**. All gas mains throughout the UK are of the same type and specification.

In electricity, there is no national specification. Each DNO uses its own specification of cables, transformers, switchgear and protection arrangements. This means there is not a "one size fits all" approach when trying to develop a national set of rules. The variety of specification has been borne out of the history of the electricity where there were 14 different DNOs. This has now been consolidated into six DNO groups, but within those groups, the different specifications still exist e.g. in SPEN the Manweb solkor network is different to the SPD network design and specification.

3. **The method of charging for reinforcement is fundamentally different in the gas market and the electricity market.** This changes the risk associated with self-determination of POC.

The gas industry is regulated in such a way that there is a "**shallow**" **reinforcement policy**, in that the connectee pays for the equipment needed to connect physically to the nearest point that has sufficient capacity to supply the new load, disregarding existing loads. Any upstream reinforcement is paid for by all (equivalent to a Distribution Use of System) customers (this is subject to an Economic Test).

In electricity, the connectee pays for the reinforcement that is needed to connect the load to the network. This may not be the closest main, but the cost is subject to the requirement to offer the minimum cost scheme.

This is a fundamental risk to the self determination of POC, in that the costs for reinforcement in electricity need to be identified at an early stage whereas in gas, as reinforcement is charged under a shallow policy, the risk is substantially reduced.



Reducing the Timescales associated with Electricity Connections

1. Process Improvements:

We recognise the desire to get out of the ICP project critical path. The cumulative effect of the improvements from independents adopting the current working practices and **the process improvements outlined in our action plan would allow:**

- Through the self-determination trial the ICP would ultimately design the POC;
- Design approval can run concurrently with the ICP commencing works on site;
- The ICP can carry out the closing joint to the SPEN network (this is currently a contestable activity); and
- For HV IDNO schemes, where there is an HV involvement with SPEN, if the land rights have not been completed, we will “connect but not energise” the site, in order that energisation can take place with minimum disruption to the IDNO customers.

2. Implications for Timescales of Connection:

On the 1st September 2014, Brookfield presented to the Metered Connections Customer Group (MCCG) a comparison of the current gas and electricity connections processes. This highlighted differences in timescales between gas and electricity connections. We have reproduced this presentation in the first and second rows of the process chart contained in Appendix 3.

The top row of the process chart shows the average timescales in the gas market, which for a simple, 20 plot development of 3 bedroom houses (with no land rights) is **39 days**.

The second row of the process chart shows the average timescales, from developer enquiry to completion of the connection, **using existing processes in electricity**. Brookfield conclude that the standard LV process will take 55 days and HV 75 days.

The third row of the process chart considers the impact on timescales of independents fully adopting our current working practices and the process improvements outlined in our action plan. The cumulative impact of these initiatives, for **an LV POC, is a reduction of 23 days in process timescales (to 32 days) and, for an HV POC, a reduction of 33 days in process timescales (to 42 days).**

This compares favourably to the gas market timescales.



4. CONCLUSIONS

In its consultation, Ofgem has stated that it is considering possible outcomes to its review. Ofgem states that some parts of the market have effective competition. In other areas competitors have been unable or unwilling to establish themselves and as a result competition has not fully developed. In our view it has become increasingly clear over the course of the Competition in Connections review that several areas of the market require further assessment to fully understand why it has proven difficult since DPCR 5 for competition to effectively develop.

Before Ofgem concludes on their Competition in Connections Market Review, we consider it important they fully assess other factors which will impact on the attractiveness of certain competitive connection works to competitive parties, including:

- **Geographic factors** and the strategic decision making of independents to expand (or not) in any particular area of the UK;
- **Economic conditions** prevalent across the UK that affects both public and private sector investment in growth associated to the RMS's;
- **Technical complexities and skills capability** of independents, i.e. DG schemes, overhead line resources; and
- **The ability of independents to 'cherry pick'** the market, the projects and locations they wish to operate.

We also consider, Ofgem in its evaluation of competition in certain market segments, has not as yet taken due recognition of certain factors which we consider to be of relevance. These include:

1. Volume of Customer Connections Contracted to be Provided

We consider this to be particularly relevant to the LV demand, HV demand and HV/EHV demand metered RMSs. Ofgem's analysis has focused primarily on market share associated with the volume and value of POC quotations won by independents in comparison to those of the incumbent DNO. This ignores the number of actual end customers which are being connected by independents. We consider this undervalues the true extent of competition in these market segments.

2. Unrecorded connections within the Unmetered Connections (other work) RMSs

This market segment is for unmetered supplies to street lighting or other street furniture comprising of new supplies and transfers. Competitor activity within this market segment has been undervalued as a result of the greatest proportion of these works being awarded as part of new housing or other developments. The associated work is therefore wrapped up within other POC quotations provided to independents for the POC associated with the particular development, i.e. the activity is lost with the associated quote recorded in for example the LV metered demand RMS. SPEN estimated the extent of this activity within its Competition Test Notice through the provision of data showing



the growth of UMS units exiting from IDNO networks. This was shown to increase by 4.5 times in SPD and 2 times in SPM over the period April 2010 to March 2013.

We would recommend that Ofgem consider the following steps to ensure the continued development of competition in the electricity connections market:

- **The introduction of a Connections Charter, signed on to by DNOs and independents incentivising greater cooperation between the parties working through industry bodies such as the ENA, the CNA, the MCCG and other stakeholders.**
- **The introduction of licence changes to reintroduce the Competition Test (applicable to all RMSs), providing DNOs with the opportunity to reapply in RMSs not previously passed.**

APPENDIX 1: COMPETITION IN CONNECTIONS ACTION PLAN

Competition in Connections Action Plan. Updated October 2014					
Initiatives	SPEN Current Position	Industry Current Position	Customer feedback from ICP/IDNO workshop	Actions	Completion Date
Issue A - DNOs level of control over the connection process					
Ability to self determine POC	<p>Currently trials offered in SPD & SPM <200kVA metered. Discussions have taken place with a number of ICPs, however, to date, none have taken up the trial because of:</p> <ul style="list-style-type: none"> - the associated risk - ICP skills gap and resource constraints - we provide the POC determination for free <p>For unmetered and street lighting in SPD and SPM, self determination of POC is business as normal for ICPs.</p>	<p>ENWL - Trials held <70kVA. For unmetered and street lighting, self determination of POC is business as normal.</p> <p>WPD - Trial planned for self determination of POC - November 14.</p> <p>SSE - UMS - self determination of POC</p> <p>UKPN - LV self determination of POC</p> <p>NPG LV self assessment of POC is business as usual. Extending scope to include HV (currently in development and working with ICP)</p>	<p>At SPD workshop, only one ICP showed any interest in self determining POC</p>	1) Organise ICP / IDNO workshop in SPD	COMPLETE
				2) ICP / IDNO workshop organised in SPM for 5 November	COMPLETE
				3) Update self determination of POC <200kVA documentation. Circulate for discussion at November ICP workshop.	COMPLETE
				4) Discuss with GTC/MCCG on 10 October and explore how to progress POC trials. Agreement reached with 2 IDNOs to undertake trials once appropriate projects identified	COMPLETE
				5) Engage with GTC to develop processes to identify reinforcement design and associated costs. Develop associated commercial arrangements.	Dec-14
				6) Make available assistance by technical staff to ICP/IDNO to resolve queries	COMPLETE
				7) Continue engagement with other DNOs to learn from best practice	Ongoing
Access to network records and specifications	<p>Free and unrestricted access to our GIS is available to all ICPs via the internet.</p> <p>Currently 95 ICPs have access to our GIS.</p> <p>Instructions on how to apply are on our website. This message was reinforced in recent ICP newsletter of the availability of this service.</p> <p>Open access to our designers</p> <p>Specification and process documents are freely available on our website</p>	<p>ENW - network information made available</p> <p>WPD - ongoing improvements of availability of network information.</p> <p>SSE - seeking to improve specification and process documentation. Also, to provide full access to GIS.</p> <p>UKPN - online access to network plans and LV operational diagrams.</p> <p>NPG - improving online access & functionality of geographic mapping systems, plus will be introducing hot-desk terminals for ICPs at a number of connections offices (access to staff expertise as well as systems), ICP helpline to be created for technical, standards & process queries.</p>	<p>ICPs asked for feedback on when network records were updated.</p> <p>Additionally how does the ICP rectify any issues with the submitted as laids?</p>	1) Further communications to ICPs who don't have access, to make them aware of the facility, through ICP newsletter. Email issued to those identified, plus included in next newsletter	COMPLETE
				2) Continue review and update of specification documents, focusing on civil spec on substations; commercial greenfield document etc.	Ongoing
				3) Implement process to evaluate alternate ICP design specifications	Q1 2015
				4) Assess how secondary substation load information can be made available	Q1 2015
Design Approval process	<p>Our policy is: "No design approval rejection without speaking to the customer first."</p> <p>ICP will be given opportunity to resubmit providing we are within SLC15 timescales.</p> <p>No requirement for design approval of UMS</p>	<p>ENWL - no D/A for UMS</p> <p>UKPN - Review POC & D/A timescales.</p> <p>SSE - "never more than one" design rejection commitment & short turn-around of D/A for IDNO projects</p>	<p>No issues raised from ICPs on design approval timescales. ICP contact with the designers was generally good.</p>	1) Publish quarterly our average Design Approval timescales.	Dec-14
				2) Publish our commitment to not reject without speaking to customer. Published on website	COMPLETE
				3) Benchmark NERS against GIRS to streamline the D/A process to identify a "competent designer".	Q1 2015
				4) Potentially develop a staggered approval rate, similar to the three ICP audit levels.	Q1 2015
				5) Consider changes to process to allow commencement of work prior to Design Approval	Q1 2015
Accreditation Regimes	<p>ICPs need to be Lloyds accredited for the scope of work they are undertaking.</p> <p>Operatives need to be authorised by SPEN.</p>	<p>Industry position is the same as SPEN</p>	<p>No direct feedback from ICPs on Lloyds accreditations</p>	1) SPEN Safety Director is part of a national DNO initiative to develop a national accreditation scheme based on EU Skills. Explore feasibility of extending the initiative to include ICP and IDNO staff.	Q1 2015
				2) Review the process for ICPs to gain access to SPEN training courses.	Dec-14



Initiatives	SPEN Current Position	Industry Current Position	Customer feedback from ICP/IDNO workshop	Actions	Completion Date
Legals /Commercial Process	Incorporated rights process agreed with GTC. Feedback from other CNA members under review. We currently offer either bi or tri partite agreements POC is valid for 3 months and can be extended for a further 3 months if there is no problem with inter-activity	WPD identify & implement improvements in process (timescale, consistency & transparency for cust) provide training plus planning for electronic signatures. UKPN - simplified consents process for land rights. One off UMS agreements	Bi lateral connection agreements are over 40 pages long. Can these be streamlined? Customers want more visibility of the legals process and "who has got the ball" Customers want indicative timescales for obtaining wayleaves	1) SPEN to conclude it's engagement with CNA	Nov-14
				2) Develop ICP specific adoption agreement to cover multiple sites	Q1 2015
				3) Work with Wayleaves team to provide more visibility of the process and indicative timescales	Q1 2015
Inspection & Monitoring	SPEN have adopted the national approach with three audit levels based on ICP performance. Level 1 – All new entrants will start at this level. Subject to satisfactory performance, on a number of sites, for six months, an ICP can be moved to level 2 which has less frequent inspections planned and lower I&M charges. Level 2 – Subject to satisfactory performance on a number of sites, over a period of six months an ICP can be moved to Level 3 which has less frequent inspections planned and lower I&M charges Level 3 – This is the level with the least monitoring and auditing planned and the lowest I&M charges. This level could be attained after a year of satisfactory performance as an entrant at level 1. We continually challenge the charging and method of undertaking I&M.	WPD - consulting on and developing integrated I&M process	No major issues raised. ICPs asked for feedback on which I&M level they were on and how they progressed to the higher level.	1) Engage with ICPs to change method of charging so that charges are only applied when defects are identified.	Dec-14
Issue B - Complexity for customers					
Dual / Convertible quotes	Dual offers currently in place for EHV and high value HV projects.	SSE - choice HV/EHV / extend to LV plus develop smart connection offers. UKPN to work on all customers receiving a convertible quote. ENW - provide for all 9 RMS - Business As Usual	Issue not raised in the ICP workshop.	1) Identify lessons learnt from EHV dual offer template and incorporate in HV dual offer letters	Q1 2015
				2) Project & workplan in place to extend dual quotes to all HV projects	Q1 2015
				3) Extend to LV	2015
Improved transparency / cost breakdown of quotes	Breakdown of charges provided, including detailed description of works.	WPD - reviewing offer letters. SSE - improved cost breakdown. UKPN - extensive breakdown for all quotations	Issue not raised in the ICP workshop.	1) Project for improved cost breakdown in place & UAT testing w/c 8/9/14. Applies to both POC and Licensed quotations.	Nov-14



OFGEM FOCUS AREAS					
Initiatives	SPEN Current Position	Industry Current Position	Customer feedback from ICP/IDNO workshop	Actions	Completion Date
Issue C - Customer appetite for competition					
Little to indicate that if all other barriers are addressed customers would not be interested in shopping around	Information leaflets provided to customers at enquiry stage setting out options for obtaining alternate quotes from ICPs	NPG - DG forum held, DG & connections forumm 11/14, mtlly icp/cust surgeries, setting up ICP community of interest online feedback system creating another forum.		1) Carry out annual review of the nine RMS, including comprehensive maket share analysis and developing our understanding of reasons for any changes.	Annual
	website details of Competition In Connections Each quote includes a paragraph of the customers option to obtain alternate quotes from ICPs	UKPN - approach to improvement driven by proactive stakeholder engagement 14 workshops held since 10/10. Q&A service for customer or comp queries & technical forums. WPD - implement programme of conn surgeries, hold workshop event for community energy schemes to understand requirements		2) SPEN will proactively seek to identify any real or perceived barriers that may exist and action accordingly.	
				3) Ensure ICP / IDNO involvement with the ICE stakeholder plan engagement to ensure customers get independent feedback on their competitive choices.	Q1 2016
DNOs have a role to play in highlighting options-independants also need to be active	Information provided on website, initial enquiries info provided in various way by contact team, dual offer letter	SSE - improved help in appointing alternatives- continued reinforcement of choice. UKPN - customer access to ICP operating in area.		Review of internal multi utility capability inherited from Core with a view to encouraging competition rather than directly competing.	Dec-14
Issue D - impact of regulatory requirements					
Part-funded connections	Under consideration. SPEN to learn from best practice amongst the DNOs.	WPD - develop trial & procedures for ICP to carry out connections reinforcement	ICPs interested in being able to carry out off site reinforcement work.	Proactively participate in DNO meeting mid October to share best practice from part funded trials and develop a commercial process. Meeting attended.	COMPLETE
Issue E - little evidence of competition for certain types of connection					
High proportion of non-contestable costs	SPEN regularly review all our prices to ensure they are cost reflective		Not raised as an issue by ICPs.	Undertake review of our current non contestable charges.	Nov-14
Value of work vs costs/effort required to win			Not raised as an issue by ICPs.	Review impact of changes to Inspection and Monitoring charges. Review impact of changes to the design approval process	Q1 2015
Other - relationship with IDNOs					
DNO requirement for link boxes (funded by IDNO)	Under the Electricity at Work Act 1989, Regulation 12 requires a "means for cutting off the supply and for isolation".	WPD - to review policy. UKPN - "linking & fusing" service for ICP carrying out live jointing of interconnected parts of London network. Plus considering technical & commercial alternatives to provision of link box. SSE - DNO funding of link box	Not raised as an issue by IDNO	Consider the requirement for link boxes under the Electricity at Work Act and ESQCR. Explore options for meeting Legislative Requirements with GTC (and other IDNOs) Explore with Ofgem the options for funding the link box.	Dec-14
Emergency service response	The DNO is responsible for DNO resource and associated GS, CI, CML etc. Ad hoc response/support to IDNO where possible.	WPD - Roll-out ability to support IDNO networks for fault repair service across regions. UKPN - discussions with an IDNO regarding the possible provision of emergency response	Not raised as an issue by IDNO	Explore provision of emergency service with GTC on 10 October.	Dec-14
October 2014					

APPENDIX 2.1: ICP WORKSHOP QUESTIONNAIRES

ICP and IDNO workshops

As part of our ongoing engagement with our ICP and IDNO customers, we have run a workshop in the SPD licensed area and have one planned in the SPM licensed area on the 5th November 2014. The format of the workshop is to gain feedback from ICPs and IDNOs on what areas they would like to see improvements in our service to them. Prior to the workshop we sent out a questionnaire to gain feedback on the issues and also to help structure the workshop event. The key questions we asked were:

General Communications and Initial Contact:

How do you rate the ease of contact with the CIC Team in general?

How useful do you find the Competition in Connection area of our website?

Our main communication system with ICPs is RAdAR. How do you find RAdAR?

We issue regular newsletter updates, how do you rate their usefulness? Would you like to see any changes? More detail?

POC Provision and Design approval:

How do you rate the ease of contact with our designers at POC and design approval stages?

How do you rate the technical detail, accuracy and promptness of our POC offers and Design Approvals?

How do you rate our design team in assisting you through the POC offer and Design Approval stage?

Our processes and technical requirements are published on the intranet. How useful do you find these? Are there any you feel need updating or revisiting?

Contract Terms and Documentation:

Our POC offer is valid for three months and may upon application be extended for up to a further three months. On acceptance, subject to satisfactory design approval, it is valid for 12 months with a review of the costs and can be terminated after 18 months. How do you feel about these terms?

At our last ICP workshop Payment on POC acceptance was requested. How do you find this process assisting you in delivering connections for your customers?

On successful design approval we require to enter into a Construction and Adoption Agreement and Connection Agreement where applicable. Do these agreements meet your requirements?

Land Rights is a contestable activity however most ICPs elect to use SP Land Rights teams. How do you find the services provided by our Land Rights teams?

Inspection and Monitoring of Contestable Works Scheduling and Delivery of closing Joint Works and Non Contestable works:

How do you feel about the current costs and associated levels of inspection and monitoring of contestable work?

We endeavour to provide confirmation of jointing dates within 3 days for LV work and 5 days for HV work. Are these targets sufficient?

How do you rate the ease of contact and support provided by the delivery teams providing non contestable closing joint services and enabling works?

How do you rate the updating of our records from your as-laid drawings and the project closure processes?

Extension of Contestability:

We have documentation to trial operational activities. How would you rate your interest in carrying out LV or HV operations?

There is a trial for self-determination of point of connections. One ICP is part of the trial for a particular project. How do you rate your interest in exploring further?



How would you rate your interest in participating in extending live low voltage closing joint work to lv overhead lines?

Are there other areas you would like to see contestability extended into?

General Impressions of the CIC team and the provision of Non Contestable Services

In general how do you rate the provision of Non Contestable services?

How do you rate the openness of CIC team to be contacted and discuss new ideas or approaches?

How do you feel the CIC Team compares with other DNO teams in providing non contestable services?

We asked our customers to rate us from 1 to 5:

- 1 Very Poor - could improve significantly
- 2 Poor - could improve with focus in a couple of key areas
- 3 Average - could do better
- 4 Great Service - however could not really say best in class
- 5 Excellent - benchmark

The ICPs and IDNOs represented the key majority of the customers who work with us in that the respondents represented:

- 88% of all POC applications for SPD and 78% for SPM; and
- 90% of all design approvals for SPD and 81% for SPM.

The results of the questionnaire are repeated in the following pages. A few key themes were apparent:

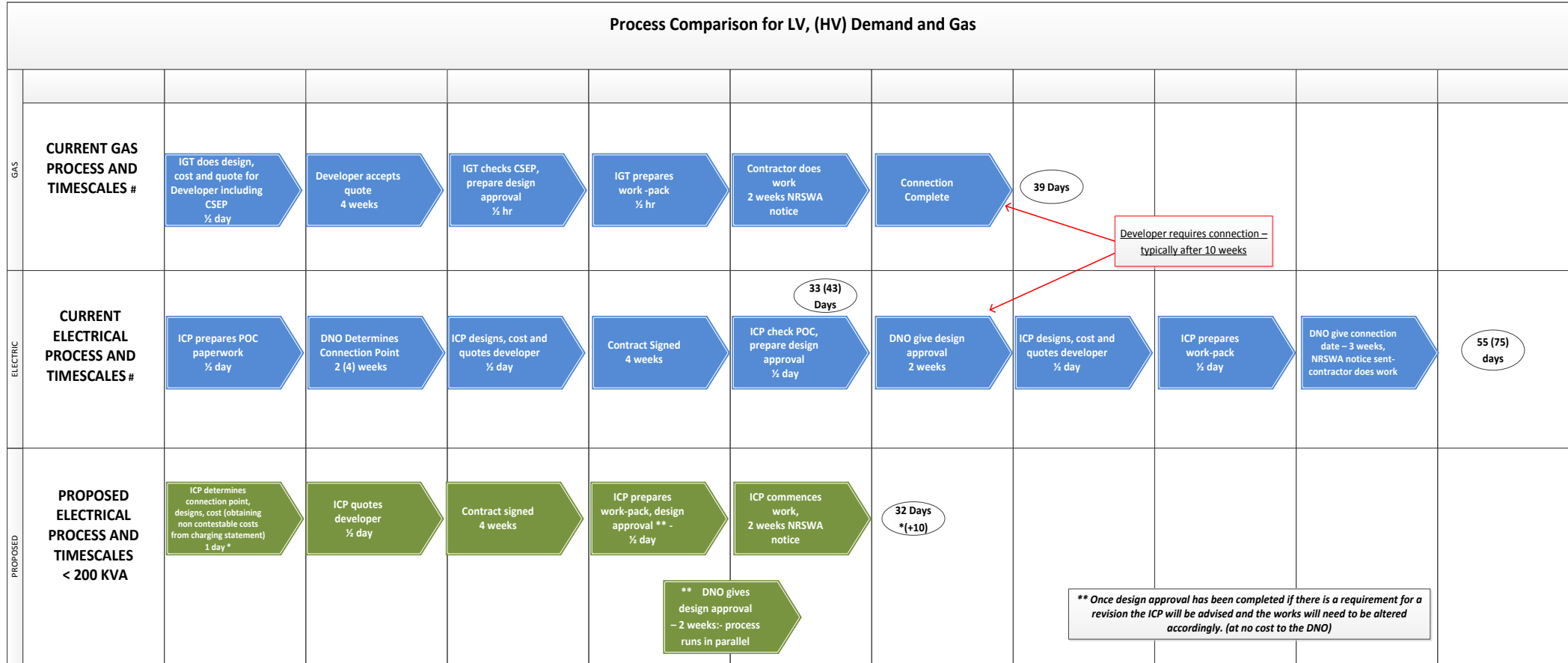
- ICP and IDNO customers rated our service as *average* or *great*
- Our CiC design teams were rated as *great* in helping ICPs through the process
- Our commercial terms and documentation was viewed as *average*, although the land rights process was considered as *poor*
- There was little interest in self-determination of POC
- There was no interest in carrying out operational activities at HV, although there was some interest in LV operational work



APPENDIX 2.2: ICP QUESTIONNAIRE RESPONSES

Please see attached document, titled as above

APPENDIX 3: COMPARISON OF GAS AND ELECTRICITY CONNECTION PROCESSES



*taken from Brookfield presentation at the MCCG

APPENDIX 4: TRANSPARENCY OF INFORMATION – QUOTATION BREAKDOWNS

4.1 Dual Quote

COST APPORTIONMENT OF REINFORCEMENT WORKS

A reinforcement charge has been determined in accordance with the “Statement” on the following basis:

$$\text{Cost Apportionment Factor (CAF)} = \frac{\text{Required Capacity}}{\text{New Network Capacity}} = \frac{\text{XXXMVA}}{\text{XXXMVA}}$$

Reinforcement Charge = [£XXX]

INDICATIVE COST BREAKDOWN FOR THE WORKS

Description of Works (All Costs Exclusive of VAT)	Non Contestable	Contestable	Full Offer Connection Charge	POC Offer Connection Charge
Assessment & Design Fee – All Relevant Work	£X			
Assessment & Design Fee – Non Contestable Work	£X			
Design Approval of the Contestable Work (Overall connection design plus individual approvals for switchgear, protection, cable, overhead line and all ancillary apparatus)	£X			
Inspection and Monitoring of Contestable Work (Additional visits will be charged pro-rata)	£X			
Witness of Testing	£X			
Charge for Connection to the Distribution System Substation Plant – <NAME OF GSP> Grid Supply Point 33,000 volt switchgear, protection, control, SCADA and telecommunications equipment Substation Plant – <NAME OF DEVELOPMENT> Farm Wind Substation Including control, SCADA and telecommunication equipment	£X £X			
Diversenary Works	£X			
Supervision for offsite wayleaves and easements (Additional visits will be charged pro-rata)	£X			



Customer Funded Associated Reinforcement Works	£X			
Wayleave & Survey Fees		£X		
Substation Plant – <NAME OF GSP> Grid Supply Point 33,000 volt switchgear, protection, control, SCADA and telecommunications equipment		£X		
Substation Plant – <NAME OF DEVELOPMENT> Farm Wind Substation Including control, SCADA and telecommunication equipment		£X		
HV/33kV Underground Mains Cable Lay of Xkm mains cable in prepared trench or pulling through duct installed by others. All backfill and reinstatement by others including jointing onto existing main OR Lay of Xkm mains cable in typical footpath or carriageway, including excavation and reinstate to match existing surface OR Lay of Xkm mains cable in unmade ground, including excavation and reinstate to match the existing surface		£X		
Extension of HV/33kV Overhead Line Erect a single span HV/33kV overhead line including termination pole (Xkm)		£X		
ECCR Payment*	£X			
Operation and Maintenance charge	£X			
Total			£X	£X

THE ELECTRICITY (CONNECTION CHARGES) REGULATIONS 2002 (“ECCR”)

The Connection Charge includes a payment in respect of the ECCR for assets previously installed for (DESCRIPTION OF THE WORKS). This has been determined in accordance with the Electricity (Connection Charges) Regulations 2002.

The prescribed period for the purpose of the regulations is [SPECIFY THE 5 YEAR PERIOD]

The total cost of these works is [£XXX]

Your contribution towards these works is [£XXX]. This is based on a £ per kVA of [£XXX]

Further information on the regulations can be found at:

<http://www.legislation.gov.uk/uksi/2002/93/regulation/5/made>

4.2 New Connection Charge Breakdown

Description of Works	Proposed Quantity	Measure	Customer Contribution	SPD Contribution	Contestable	Non Contestable	Comment
C Assessment and Design for all relevant works							
Design Fees	1	No.	£2,500.00			Y	
Sub Total			£2,500.00	£0.00			

F3 Other LV Services							
PROVISION OF HV METERING PANEL AND ACCESSORIES	1	Item	£364.00		Y		
Sub Total			£364.00	£0.00			

F5 Mains Cables							
3 x HV 300mm² 1-Core Cable	20	m	£428.24		Y		
HV 300mm² 3-Core Cable	2080	m	£46,867.24		Y		
Pick Up, Deliver & Return Cable Drum	9	Item	£1,380.57		Y		
Install Ducts (<150mm)	300	m	£1,219.98		Y		
Supply Only Ducts (150mm)	300	m	£2,597.65		Y		
Exc HV Standard Joint Bay (Unsurfaced)	8	No.	£3,260.48		Y		
Exc/Lay 2 HV Cable (Tarmac FP)	7	m	£697.81		Y		
Exc/Lay 2 HV Cable (T2 Road)	94	m	£15,085.01		Y		
Exc/Lay 2 HV Cable (T3/4 Road)	30	m	£3,695.63		Y		
Exc/Lay 2 HV Cable (Unmade)	140	m	£5,131.67		Y		
Exc/Lay 2 HV Cable (Verge)	777	m	£33,843.76		Y		
Engineering & Management (Total Labour)	1	Item	£5,457.69		Y		
HV Straight Joint	14	No.	£9,669.62		Y		
HV Trifurcation Joint	2	No.	£1,115.19		Y		
3 x HV 185mm² 1-Core Cable	40	m	£347.48	£327.63		Y	
3 x HV 300mm² 1-Core Cable	30	m	£317.91	£299.75		Y	
HV 185mm² 3-Core Cable	25	m	£224.70	£211.87		Y	
HV 300mm² 3-Core Cable	408	m	£4,549.75	£4,289.86		Y	
Pick Up, Deliver & Return Cable Drum	3	Item	£227.75	£214.74		Y	
Install Ducts (<150mm)	30	m	£60.38	£56.93		Y	
Supply Only Ducts (150mm)	30	m	£128.56	£121.22		Y	
Exc HV Standard Joint Bay (Unsurfaced)	6	No.	£951.91	£897.54		Y	
Lay Only LV Cable (<300mm²) Includ. Sand	70	m	£374.72	£353.32		Y	
Engineering & Management (Total Labour)	2	Item	£540.21	£509.35		Y	
HV Straight Joint	2	No.	£683.65	£644.60		Y	
HV Trifurcation Joint	4	No.	£1,190.84	£1,122.82		Y	
Sub Total			£140,048.40	£9,049.63			

F7 Substations							
HV Switchgear & Metering	1	Item	£11,104.41		Y		



Substation Earthing	20	m	£795.89		Y	
Earth Fault Indicator	1	Item	£195.38		Y	
Emergency Trip Button	1	Item	£717.49		Y	
Hire Crane or Grab Lorry	1	Days	£691.60		Y	
Rolled Steel Channel	3	Item	£591.73		Y	
Multicore Cable & Couplings	2	m	£710.22		Y	
Engineering & Management (Total Labour)	3	Item	£1,637.31		Y	
Switchgear/Transformer Plinth	1	Item	£2,347.53		Y	
GRP Substation Enclosure	1	Item	£4,341.86		Y	
HV Cable Termination	2	No.	£1,399.38		Y	
Label Engraving	1	Item	£274.34			Y
High Security Substation Locks	1	Item	£490.57			Y
HV Extensible Switch	4	Item	£8,247.14	£7,776.06		Y
Substation Earthing	35	m	£689.31	£649.93		Y
Earth Fault Indicator	2	Item	£193.39	£182.34		Y
Label Engraving	2	Item	£282.40	£266.27		Y
High Security Substation Locks	2	Item	£504.99	£476.15		Y
Hire Crane or Grab Lorry	1	Days	£342.28	£322.72		Y
Rolled Steel Channel	2	Item	£195.23	£184.08		Y
Engineering & Management (Total Labour)	8	Item	£2,160.83	£2,037.40		Y
Project Management (Total Labour)	1	Item	£722.97	£681.67		Y
Switchgear/Transformer Plinth	1	Item	£2,883.80	£2,719.07		Y
GRP Substation Enclosure	1	Item	£2,148.81	£2,026.06		Y
HV Cable Termination	6	No.	£2,077.68	£1,959.00		Y
Install 3-5 Panel Outdoor Switchgear	1	Item	£715.49	£674.62		Y
Sub Total			£46,462.03	£19,955.37		

G CIC Final Works and Phased Energisation						
Technical Staff (Total Labour)	1	Item	£282.66			Y
Engineering & Management (Total Labour)	1	Item	£1,574.33			Y
Project Management (Total Labour)	1	Item	£175.59			Y
HV Trifurcation Joint	2	No.	£560.40	£528.39		Y
WAYLEAVES SUBSTATION ACQUISITION	1	Item	£1,924.00		Y	
EASEMENT / SERVITUDE	1	Item	£1,560.00		Y	
Sub Total			£6,076.98	£528.39		
Total Connection Charge			£195,451.41			

COST APPORTIONMENT OF REINFORCEMENT WORKS

A reinforcement charge has been determined in accordance with the "Statement" on the following basis:

$$\text{Cost Apportionment Factor (CAF)} = \frac{\text{Required Capacity}}{\text{New Network Capacity}} = \frac{3.5\text{MVA}}{6.8\text{MVA}}$$

Reinforcement Charge = £30,762.18

Overall SPD contribution is £29,533.39

APPENDIX 5: ACCESS TO INFORMATION

SPEN provide free access to our GIS to ICPs and IDNOs via the internet.

We have **2 levels of access** that are available to external users, standard and contestable. Before access to either level is granted users are required to complete an agreement specific to each level of access. This agreement sets down the conditions that are attached in the provision of Internet access to our records.

Standard Access

This level of access is intended primarily to assist external users on the grounds of health & safety and to recognise the presence of SPEN cables and other apparatus before carrying out any planned ground openings or site works. This is in essence a purely view print level of access. Users are presented with an Ordnance Survey map backdrop against which all of our assets have been captured. All voltage layers and the mapping background are on by default and users are not able to turn any of these layers off. The data is static or dumb in that it cannot be interrogated any further so users are not able to ascertain cables sizes or substation capacities etc. There are 2 map layers within this level of access, GIS as described and GIS Archive. GIS Archive will provide access to historical scanned mapping images for a given area and is for reference only.

As such, this level of access is our “default” entry level. Standard access to the records is provided to act both as a safeguard to field staff and as a means of minimising the risk of damage to SPEN apparatus when excavation and other work is undertaken in footpaths, roadways and other locations.

Contestable Access

This is an enhanced level of access and as well as fulfilling the criteria of above on the grounds of health & safety, **it has increased functionality that assists in planning, quoting and analysing the data** etc. Users with this level of access more or less have the same options and functionality as all SP staff and contractors (minor exceptions being 3rd party data sets or medically sensitive customers)

With Contestable access users have access to more map layers and are able to remove asset layers from the GIS records. (It is the responsibility of the users to ensure that all layers are visible/switched on prior to the production of drawings for site record purposes. No liability of any kind is accepted by SPEN, its agents or servants for any error or omission regarding the above process for Contestable License usage and this is outlined in the agreement that they complete prior to being given access).

As well as GIS and GIS Archive, the additional layers users have access to are

- GND (Low voltage schematic layer);
- GND Archive (Ref only);
- Power On (Snapshot of HV schematic layers - none real time, Ref only).

The number of CIC Customers who have access to GIS (Non Contestable) is 44. The number of CIC Customers who have access to GIS (Contestable) is 46.



Since the communication regarding GIS access was sent out, we have had 8 companies ask for access that previously had none and 9 companies upgrade to full contestable access (as attached table). In total 62 new ID's have been created between the 17 companies.

Contestable users are also able to interrogate the data further which will enable them to ascertain and have access to things such as:

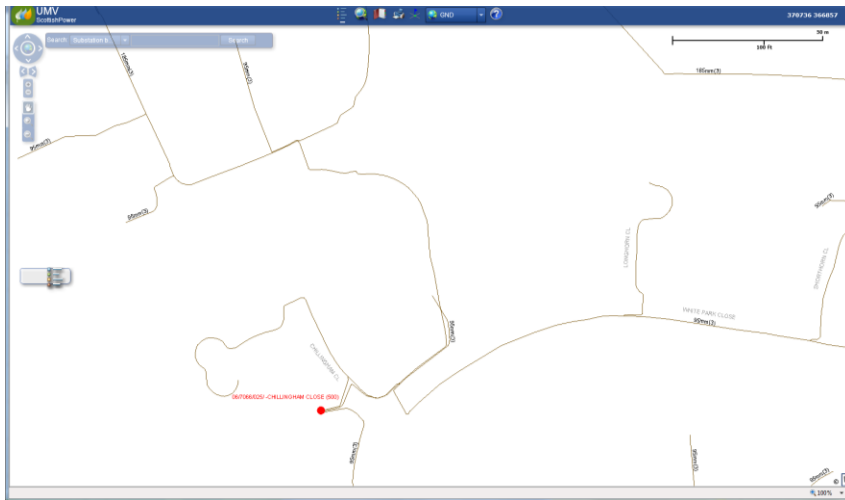
- Cable types and sizes
- OHL types and sizes
- Substation Capacities
- Transformer sizes / type
- Basic LV and HV tracing ability
- Measuring Tool

It is this contestable level of access that is provided to ICPs and IDNOs.

For illustration, we have provided below, some screen shots of the GIS maps and operational line diagrams that are freely available to ICPs.

- Quick instant access to our GIS records via the internet
- LV and HV network against the OS background
- Operational map also available
- System open points are shown which gives information on how the network is running
- Access also provided to our 11kV network diagrams





APPENDIX 6: SECURING LAND RIGHTS ON THE NETWORK

SPEN'S APPROACH TO SECURING LAND RIGHTS

A key principal underpinning SPEN's approach to securing land rights is **the presumption that permanent land rights will be sought in the first instance**. Such approach ensures that SPEN will **maintain an efficient, co-ordinated and economical system** of electricity transmission and distribution as required by both statute and licence conditions. However this **presumption is often departed from on a case-by-case** basis depending upon the particular circumstances.

SPEN's current approach can therefore be broadly summarised as follows:

1. Permanent/secure land rights are sought in the first instance.
2. Where such permanent/secure land rights cannot be obtained, alternatives are considered.
3. Any non-permanent or terminable (i.e., non-secure) land rights must be capable of ensuring that /SPEN is granted occupation for so long as it requires occupation.
4. Where non-permanent/non-secure land rights are obtained, SPEN will seek to convert those rights to permanent/secure ones as soon as is practicable.

Where temporary/non-secure rights are obtained, it is usually a result of (i) a perceived business need, and/or (ii) a matter of time criticality/urgency, and/or (iii) where a landowner (which could also be a customer) does not wish to grant a permanent/secure right.

SUMMARY OF DNOs' APPROACH TO SECURING LAND RIGHTS

This review has been limited to the publicly-available land rights "policy" documents as contained within the websites of the following DNOs:

- SSE Power Distribution
- Western Power Distribution
- Northern Powergrid
- UK Power Networks
- Electricity North West Limited
- ESB Networks
- NB: for completeness, we have also reviewed the "land rights policy" of National Grid.

By way of a summary, the general approach to obtaining land rights as adopted by the majority of other DNOs is to seek to obtain in the first instance a **servitude** (in Scotland) or a Deed of Grant for an **easement** (in England/Wales) for any overhead line or cable which enters private land.

In terms of land required for substations, the DNOs' published policy documents all state that permanent rights will be sought/required, whether by means of **acquisition or long lease**.

Part 2B: Detailed overview

DNO (NB:- IDNOs are not included)	SUMMARY OF INITIAL APPROACH	LINK TO RESOURCE	RESOURCE DETAILS
Below is a list of all DNOs in Britain (excluding SPD and SPM) taken from the Energy Networks Association's electricity distribution map (http://www.energynetworks.org/info/faqs/electricity-distribution-map.html). For completeness, National Grid has also been included in this list - albeit that it is not a DNO.			
SSEPD	<p>SSEPD requires ownership or alternatively the grant of long leasehold of any substation site which forms part of the Contestable or Non-Contestable Works.</p> <p>SSEPD requires the grant of a permanent servitude or easement (deed of grant) for any electric line that forms part of the Contestable or Non-Contestable Works which will not form part of an adopted or prospectively adopted highway¹.</p> <p>In some cases, a wayleave may be accepted as an alternative.</p> <p>No work can be undertaken on third party land until servitudes/ wayleaves have been agreed.</p>	<p>https://www.ssepd.co.uk/Library/ChargingStatements/SEP/D/</p> <p>Please proceed to click on the PDF 'SEPD statement of methodology and charges for connection- April 2014'</p> <p>https://www.ssepd.co.uk/WorkArea/DownloadArea/Download.aspx?file=SEPD%20Statement%20of%20Methodology%20and%20Charges%20for%20Connection%20-%20April%202014.pdf</p>	<p>'Statement of Methodology and Charges for Connection to Southern Electric Power Distribution PLC's Electricity Distribution System'.</p> <p>This document is effective from 1 April 2014.</p> <p>The Methodology provides information to explain the options available for obtaining a connection and the processes that need to be followed</p> <p>Please see para 6.20 – 6.21 on page 71.</p>

¹ DNOs are given statutory power to install overhead lines over a highway. As such, an easement or wayleave is not required. However, this statutory power can only be exercised with the consent of the street authority, which cannot be unreasonably withheld.



DNO (NB:- IDNOs are not included)	SUMMARY OF INITIAL APPROACH	LINK TO RESOURCE	RESOURCE DETAILS
		adAsset.aspx?id=2044 http://www.ssepd.co.uk/wayleaves/ http://www.ssepd.co.uk/WorkArea/DownloadAsset.aspx?id=885	
WPD	<p>WPD requires the transfer of the freehold or alternatively the grant of long leasehold of any substation site which forms part of contestable or non-contestable works.</p> <p>WPD requires the grant of a permanent easement (deed of grant) for any electric line that forms part of contestable or non-contestable works which will not form part of an adopted or prospectively adopted highway.</p> <p>In some cases, a wayleave may be accepted as an alternative. Where land rights cannot be obtained by negotiation, WPD may exercise their powers of compulsory purchase under the Electricity Act 1989 or apply under the Act to the Secretary of State for a necessary wayleave.</p>	http://westernpower.co.uk/docs/connections/Charging-Statements/Connections-South-West-Aug-2013.aspx	<p>'Statement of Methodology and Charges for Connection to Western Power Distribution (South West) PLC's Electricity Distribution System'</p> <p>This document is effective from August 2013.</p> <p>The Methodology provides information to explain the options available for obtaining a connection and the processes that need to be followed.</p>



DNO (NB:- IDNOs are not included)	SUMMARY OF INITIAL APPROACH	LINK TO RESOURCE	RESOURCE DETAILS
			Please see para 6.21 – 6.23 at page 69.
NPG	<p>NP requires the transfer of the freehold or alternatively the grant of long leasehold of any substation site which forms part of contestable or non-contestable works.</p> <p>NP requires the grant of a permanent easement for any electric line that forms part of contestable or non-contestable works which will not form part of an adopted or prospectively adopted highway. An overhead line is a non-contestable work.</p> <p>A wayleave may in some cases be accepted as an alternative. Where land Rights cannot be obtained by negotiation, NP may exercise their powers of compulsory purchase under the Electricity Act 1989 or apply under the Act to the Secretary of State for a 'necessary wayleave'.</p>	http://www.northpowergrid.com/asset/1/document/953.pdf	<p>'Statement of Methodology and Charges for Connection to Northern Powergrid (North East) Limited's Electricity Distribution System'</p> <p>This document is effective from October 2014.</p> <p>The Methodology provides information to explain the options available for obtaining a connection and the processes that need to be followed.</p> <p>Please see para 6.21 – 6.23 at page 68.</p>



DNO <i>(NB:- IDNOs are not included)</i>	SUMMARY OF INITIAL APPROACH	LINK TO RESOURCE	RESOURCE DETAILS
UK Power Networks	<p>Land Rights will be attempted to be obtained by negotiation, if these cannot must obtained by negotiation, the powers of compulsory purchase may be exercised, or apply to the Secretary of State for a necessary wayleave.</p>	http://www.ukpowernetworks.co.uk/internet/asset/7c3a2d13-b7d4-4211-b64d-fb5f4ac3a35P/UKPN-CCMS-clean-effective-06012014-%28for-publication%29.pdf	<p>'Statement of Methodology and Charges for Connection to the Electricity Distribution Systems of Eastern Power Networks PLC, London Power Networks PLC & South Eastern Power Networks PLC'</p> <p>This document is effective from 6 January 2014.</p> <p>The Methodology provides information to explain the options available for obtaining a connection and the processes that need to be followed.</p> <p>Please see para 5.45 – 5.46 at page 32.</p>
Electricity North West Limited	<p>ENWL requires the transfer of the freehold or alternatively the grant of long leasehold of any substation site which forms part of contestable or non-contestable works.</p> <p>ENWL requires the grant of a permanent easement (deed of grant) for any electric line that forms part of contestable or non-contestable works which will not form part of an adopted or</p>	http://www.enwl.co.uk/docs/charging/oct-2010-statement-of-methodology-and-charges-	<p>'Statement of Methodology and Charges for Connection to Electricity North West Limited's Electricity Distribution System'</p> <p>This document is effective from October 2010.</p>



DNO <i>(NB:- IDNOs are not included)</i>	SUMMARY OF INITIAL APPROACH	LINK TO RESOURCE	RESOURCE DETAILS
	<p>prospectively adopted highway.</p> <p>In some cases, a wayleave may be accepted as an alternative. Where land rights cannot be obtained by negotiation, ENWL may exercise their powers of compulsory purchase under the Electricity Act 1989 or apply under the Act to the Secretary of State for a necessary wayleave.</p>	for-connection-to-electricity-north-west-limited-s-electricity-distribution-system-.pdf?sfvrsn=2	<p>The Methodology provides information to explain the options available for obtaining a connection and the processes that need to be followed.</p> <p>Please see para 6.20 – 6.22 at page 75.</p>
ESB Networks	<p>All lines and cables at all voltages crossing land which is not a public highway/railway/tramway should be wayleaved.</p> <p>Timber Cutting under lines is not wayleaved. Only notification to the occupier of ESB's intention to lop the trees is required.</p> <p>Where structures are being replaced in approximately the same position on network renewal work, no wayleaving is required, as it can be taken that the line was wayleaved when originally constructed. However, if interpolating is taking place so that new structures in new locations are being introduced, these should be wayleaved.</p> <p>Local Authorities are not issued wayleave forms when ESB wish to lay cables/lines on public paths (see footnote 1). ESB must consult with the LA prior to carrying out the work.</p>	https://www.esb.ie/esbnetworks/en/commercial-downloads/code-of-practice-for-access-to-lands.pdf	<p>'Code of Practice in relation to access to land and/or premises'</p> <p>This document has no date.</p> <p>The Code of Practice is intended to provide information to landowners and owners of premises concerning their rights when dealing with ESB staff when entry to land is required.</p> <p>Please see para 5 at page 6.</p>



DNO (NB:- IDNOs are not included)	SUMMARY OF INITIAL APPROACH	LINK TO RESOURCE	RESOURCE DETAILS
National Grid (<i>albeit not a DNO</i>)	<p>In most cases where the right to install, operate, inspect, maintain and repair are needed, NG will firstly seek to agree an easement with the landowner.</p> <p>Question 2 of the FAQ's In National Grid's policy entitled 'Guidance on Land Rights for New Electricity Transmission Assets' states:</p> <p>'I will agree to grant a way leave to National Grid but I will not grant an easement'.</p> <p>National Grid's response is: 'National Grid owns and operates nationally significant infrastructure and can only ensure certainty and continuity of electricity supply through permanent Easements, not Wayleaves'.</p> <p>Further information regarding NG and compulsory purchase (in the context of DCOs):</p> <p>Once NG has identified a final route alignment for a proposed new electricity transmission asset, it will seek to enter into an Agreement to Grant an Easement with owners, tenants and mortgagees of the land. As the final route alignment is not finalised, the Agreement will provide for changes in that alignment as a consequence.</p> <p>In return for a signed Agreement, NG will pay 50% of the Easement consideration to the land owner. The balance, will be paid if and when the Easement is</p>	<p>1. http://www2.nationalgrid.com/uk/services/land-and-development/planning-authority/consents-rights-permissions/</p> <p>2. http://www2.nationalgrid.com/UK/Services/Land-and-Development/Publications/</p>	<p>1. 'Consents, rights and permissions'</p> <p>This is a page on National Grid's website which details the types of consents or approvals which may be required when installing pipelines, overhead electric lines and above ground installations.</p> <p>Please see the last bullet point on the page which concerns land rights for private landowners.</p> <p>2. 'Guidance on Land Rights for New Electricity Transmission Assets'</p> <p>This document is effective from July 2011.</p> <p>This guidance note explains National Grid's process for obtaining land rights for all new electricity transmission assets.</p> <p>Please see Q4 and FAQ 2.</p>



DNO (NB:- IDNOs are not included)	SUMMARY OF INITIAL APPROACH	LINK TO RESOURCE	RESOURCE DETAILS
	<p>completed by NG. NG offers incentive payments for the early return of signed Agreements (these are only available during an 18 week period after Agreements are issued by National Grid to land owners for their approval and signature).</p> <p>NG will continue to voluntarily agree land rights with land owners right up to the point at which a DCO is granted.</p> <p>On submission of its application for a DCO, NG will not know whether or not it will need to rely upon compulsory powers to acquire the necessary land rights. The application must therefore include all land rights needed to construct and subsequently operate the new electricity transmission assets. If NG is granted a DCO for new electricity transmission assets, where NG benefits from a voluntary Agreement with a third party, it will not exercise any compulsory powers to acquire land rights without first exhausting its rights to do so under that voluntary Agreement.</p> <p>Where NG has been unable to obtain a voluntary Agreement from a third party, following the grant of a DCO for new electricity transmission assets, National Grid will seek to acquire the relevant land or land rights over the relevant land through the compulsory acquisition powers granted to it through the DCO.</p>		