



Wood Howe, Keldwyth Drive, Troutbeck Bridge, Windermere, Cumbria, LA23 1NJ

Tel: 07790 877148    E-mail [john.barrett@aigt.org.uk](mailto:john.barrett@aigt.org.uk)    Web: [www.aigt.org.uk](http://www.aigt.org.uk)

18<sup>th</sup> March 2015

Sam Cope  
Distribution Policy  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Dear Sam,

#### **Review of the Electricity Connections Market - Consultation on Proposed Remedies**

I write on behalf of CNA members\* in response to the above consultation. CNA members have reviewed the consultation document and the initial draft of the DNOs' Code of Practice. They have also consulted with other parties, including customers and the Metered Connection Customer Group (MCCG).

In 2011, at the beginning of DCPR5, CNA members gave a presentation to DNOs and Ofgem to explain the areas that needed to be improved to enable the connections market to be opened up to competition, and the criteria they would use to judge if competition existed and the market open to all entrants.

CNA members are encouraged that Ofgem have now taken the matter forward and has instructed DNOs to work towards the putting in place a Code of Practice to remove DNOs from the critical path of connection delivery for ICPs and IDNOs.

#### **Question 1: Please provide your comments on the proposed structure and content of the CoP licence condition.**

CNA members agree that the proposed structure and content of the CoP licence condition is satisfactory.

They would point out that the areas of the licence that presents the greatest challenge are CoP governance, policing compliance and the effective harmonisation of standards across DNOs.

**Question 2: Please provide your comments on the minimum requirements we have proposed for inclusion in the CoP.**

CNA members believe that Ofgem have covered many of the issues that require addressing. However, they do not believe that implementation of only the minimum requirements will deliver the desired outcome, and in this respect they concur with the view of the MCCG shown in the table in Appendix 1 of this letter. The table has been formed by extracting the relevant issues from the recently published MCCG CoP 'Straw Man'.

**Question 3: In addition to the minimum requirements, what else should be included in the CoP?**

The table in Appendix 2 shows the other issues raised by the MCCG on what needs to be addressed to ensure the market operates effectively. CNA members support this view and believe all these issues should be incorporated into the Code of Practice.

In relation to the MCCG commentary on the DNOs' Land rights process and performance (item 7 in the table in Appendix 2), CNA members would add that they believe that the level of diligence applied by DNOs should reflect the size of the undertaking and that the risk aversion level applied should be consistent with that of a company operating in a competitive environment as opposed to one operating as a monopoly.

Yours sincerely,

A handwritten signature in black ink that reads "John Barrett". The signature is written in a cursive, slightly slanted style.

John Barrett  
Secretary, Competitive Networks Association

\* **CNA Members are:** The Electricity Network Company Ltd, Independent Power Networks; ESP Electricity Ltd; Energetics Electricity Ltd and Harlaxton Energy Networks Ltd.

## Appendix 1

### Comments on Minimum Requirements highlighted in Ofgem's findings

Item	Description	MCCG view of CoP Minimum requirement	Comments
1. Accreditation	Accreditation	1. Authorisation levels awarded by accredited 3rd party training schools (perhaps through the DNO, NERs or the EUSR), DNO training schools and other DNOs are recognised and transferable across DNOs. Competency assessments should not be unnecessarily introduced.	Agreed and supported
	Self-Connect Operations Activities HV	1. Authorisation levels awarded by accredited 3rd party training schools (perhaps through NERs or the EUSR), DNO training schools and other DNOs shall be recognised and transferable across DNOs.	Item 1 could be achieved through the application of Restrictions to the authorisation levels where appropriate
		2. Each DNO will be required to make available the details of the nuances of their DSRs and supporting operational approved procedures, codes of practice, etc.	This could enable competitors to undertake a wider variety of activities on the DNO network
		3. For those competitors who choose not to carry out the operational activity the DNO should be required to undertake part of the contestable activity. e.g. The ICP provides jointer only or jointer and SAP	This will help ensure that ICPs have the opportunity to develop

	Self-Connect Operations Activities LV	1. DNOs shall have a process to allow Signal injection by competitors to be carried out to enable Self Connect	
		2. The procedure for LV Self Connection by a Competitor must be no more onerous than for the DNO to carry out the activity. This shall include all connection types, regardless of overhead or underground.	
		3. The CoP shall contain the principles for interaction with the DNO to be applied across all networks. For example, connection works to be planned on a weekly whereabouts and confirmed as complete on a been-about, submitted following completion of the work.	
2. Point Of Connection	Easy Access to DNO network records	Easy access to competitors for all DNO network asset records shall be available on an equivalent basis as the DNO's own Connections Business, with the same level of detail and quality of data.	
	Self Determination of Assessment and Design	The DNO has a process in place to allow competitors to access the necessary information required to enable the identification of points of connection to the DNO network for new connections and diversions, in the same manner as their own connections business. This will include where applicable, having the same level of access to the DNO's asset management long term development planning teams.	

	Availability of G81 information - online and current	<p>1. All DNO's required to provide clear and easily accessible ONLINE guidance on their technical specifications, including codes of practice, jointing, earthing and fittings manuals and work instructions.</p> <p>2. All DNO's required to have an ongoing obligation to work together to harmonise standards as far as reasonably practicable</p>	
	Letters of Authority to make connection requests	The CoP needs to guard against a DNO being able to request letters of authority for new connections requests	This may be best addressed through the A and D process
3. Design Approval		<p>1. DNOs publish details of so called SIMPLE standard designs that can be used to simplify the information exchange between the parties, using standard templates as far as possible. Guidance documents should include details of common concerns to help designers get it right first time.</p>	So long as a Competitor retains NERS accreditation for design, there should be no need for DNO's to approve SIMPLE HV and LV network design submissions.
		<p>2. For those competitors that request it, that the DNO have in place a design validation process that enables ICP's to control design via self-certification of the design, recognising the competence and capability of the organisation making the design submission.</p>	Such competence should be determined through independent assessment (at a company or individual level) or previous performance and experience of the competitor.
4. Link Boxes		As per Ofgem's guidance, where deemed necessary, the party requesting point of isolation equipment (e.g. link box) should fund it.	
5. Inspection		DNO inspection and monitoring, policy and practices - I and M must be proportionate and similar to audit regimes of the DNO's internal staff and contractors	CoP shall require DNOs to demonstrate that competitors are not

		subject to any increased level of quality assurance audits that what could be reasonably expected of the DNO's own connections business.
6. Accepting non-contestable quotes	DNOs must provide fully 'convertible quotes' for all contestable connection offers.	Current draft that we have seen shows that the DNO will have the option of offering a convertible quote OR a S16 and CIC quote in the same envelope to the applicant. We would prefer to see a single convertible quotation as the we believe that the customer will be more likely to opt to use the DNO's competitor as this option is implicit within the convertible quote which is not that the case for a S16 offer.
	This means that when the customer accepts the non-contestable services offered by the DNO but chooses to use an independent for the contestable part of the connections, the DNO cannot reissue the quote for the contestable services.	

## Appendix 2

### MCCG view on other areas that should be included in the CoP

Item	Description	MCCG view of CoP Minimum requirement	Additional Comments
1	Customer Awareness of Competitive Alternatives	DNO websites shall provide clear information on what services competitors can offer to customers and must provide the facility to enable competitors to register the details of the services they can offer within the DNO's DSA.	
2	Emergency Service for IDNO networks	The CoP must include a requirement on DNOs to provide emergency response services to IDNO networks	
3	Unmetered supply inventories	The CoP should place an obligation on DNOs to actively pursue a solution to resolve unmetered billing inventory issues relating to IDNO networks.	This issue has the potential to discourage customers from offering new connections infrastructure for adoption by IDNOs, thereby distorting competition in the new connections market in favour of DNOs. Without the support of DNOs this issue will not be resolved.

4	ICP to be in control of delivery of the connection	CoP includes a high level statement that specifies that the DNO removes themselves from the process as far as practicable and without the detriment of customer service. The standard and processes to be followed by competitors shall be no more onerous than those followed by the DNO's Connections business	
5	Contestability of Disconnections on Brown Field Sites, Diversions and Service Alterations	Effective procedures in place to allow competitors to undertake disconnections, service alterations and diversions for all voltage levels. These must be no more onerous than for the DNO to carry out the activity.	
6	Construction, Adoption and Connection Agreements	DNOs required to have fair and equitable, framework and or model agreements available to those competitors that wish to use them, to help reduce administration and touch points throughout the process	
7	Land rights process and performance	DNOs required to publish detailed flow-charts showing their land rights acquisition process.	
		DNOs required to have in place standards of service associated with the acquisition of land rights for their existing and new assets, including the provision of land right information upon request.	This could be developed in time to incorporated into the GSoP



8	Competition in Part Funded Schemes	Competitors must be given the opportunity to compete for Part Funded Reinforcement schemes	
9	Governance	<p>Proposed changes to CoP need to be considered against set criteria that can be used to test that any future change will help the CoP better meet its objective of:  "The DNO minimising – to the fullest extent reasonably practicable – the scope and cost of its input services." and, where they are necessary – by the DNO providing services on an equivalent basis to its competitors and its own connections business.</p> <p>CPs can be put forward by anyone, but ultimately approved by Ofgem</p> <p>Once agreed that a change meets the set criteria, the CoP must compel the DNO's to assist in the timely manner with the development of any change proposals</p> <p>The CoP Change Process must be effective, allowing the timely implementation of changes.</p> <p>Competitors must be able to play a role in the implementation of future changes to the CoP.</p>	<p>Perhaps there should be a two stage process, first raising of a CP which needs to be shown by the change proposer as meeting the criteria, this would need to be carefully set. To help ensure effective implementation or progression of the CP, once accepted DNOs are set are target date to modify the CoP to incorporate the CP?</p>