

Appendix

For clarity we have track changed and added comment boxes to the draft licence condition appended to Ofgem's consultation letter of 12 May 2015. In many cases the track changes concern the removal of rogue spaces which we have left as track changes in case they were errors on the master MS Word version.

Condition XX. Competition in Connections Code of Practice

Part A: Duties

1.1 The licensee must:

- (a) have and maintain a Competition in Connections Code of Practice that is designed to facilitate the achievement of the Relevant Objectives set out in paragraph 1.2; and
- (b) use reasonable endeavours to provide Input Services in a manner that secures the achievement of the Relevant Objectives set out in paragraph 1.2.

1.2 The Relevant Objectives are to:

- (a) facilitate competition in the market for new electricity distribution connections through:
 - i. minimising, to the fullest extent reasonably practicable, the scope and cost of its Input Services;
 - ii. where they are necessary, using reasonable endeavours in providing Input Services on an equivalent basis to its competitors and to those parts of its own business that operate in the market;
 - iii. harmonising, to the fullest extent reasonably practicable, the licensee's Input Services with those provided by all other Distribution Service Providers.
- (b) not distort, prevent or restrict competition in the market for new electricity distribution connections; and
- (c) facilitate compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

1.3 . In providing any Input Services, the licensee must comply with the Competition in Connections Code of Practice.

1.4 The Competition in Connections Code of Practice must be approved by the Authority. Modifications to the Competition in Connections Code of Practice shall have no effect unless modified in accordance with the governance procedures specified in the Competition in Connections Code of Practice.

1.5 The licensee must keep the Competition in Connections Code of Practice under review, and where necessary, modify it to better meet the requirements under paragraph 1.2.

1.6 The Competition in Connections Code of Practice must contain provisions for the governance arrangements of the Competition in Connections Code of

Comment [PXM1]: Licence conditions introduced under RIIO-ED1 have an introduction section – see SLC 45 (Data Assurance Guidelines) as an example. We see no reason to deviate from this practice for the CIC CoP condition.

Proposed wording:
"Introduction

This condition requires the licensee to have and maintain a Competition in Connections Code of Practice that is designed to facilitate the achievement of the Relevant Objectives and to use reasonable endeavours to provide Input Services in a manner that secures the achievement of the Relevant Objectives."

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Practice.

1.7 The licensee must:

- (a) give or send a copy of the Competition in Connections Code of Practice to any person who requests it; and
- (b) ensure that a copy of the Competition in Connections Code of Practice (as from time to time modified) is publicly available on its Website.

Part B: Compliance and Reporting

- 1.8 The Authority may (after consulting with the licensee and, where appropriate, any other materially affected party) issue a direction requiring the licensee to demonstrate compliance with this licence condition and the Competition in Connections Code of Practice, in a manner specified by the Authority.

Part C: Derogations

- 1.9 The Authority may (after consulting the licensee and, where appropriate, any other materially affected party) issue a direction ('a derogation') to the licensee that relieves it of its obligations under this condition to such extent, for such period of time, and subject to such conditions as may be specified in the direction.

Part D: Definitions

- 1.10 For the purposes of this condition:

Input Services	means any services provided by the licensee that are required to enable another accredited party to provide a connection to the licensee's Distribution System.
Competition in Connections Code of Practice	means the document described in Part A.

Comment [PXM2]: 1.7(b) requires the CiC CoP to be published on the licensee's website, so this text is superfluous and we suggest it is deleted. Conditions introduced in RIIO-ED1 such as SLC 50 (Business Plan Commitment Reporting) that require documents to be publicly available only require them to be placed on the licensee's website and not issued on request. We see no reason to deviate from this practice for the CiC CoP condition.

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Comment [PXM3]: We believe that the requirement to report is correctly placed in the licence condition and not in the CiC CoP. However, this drafting is not in line with Ofgem's proposed solution on page 14 of its letter of 12 May 2015.

If Ofgem place the reporting obligations, specifications etc in the CiC CoP, it potentially leaves licensees open to increased scope of reporting, over which they have limited control. Such reporting may be costly and inappropriate, so having the controls in the licence and managed by Ofgem is more appropriate.