

## Competition in Connections Code of Practice Modification Proposal Form

This form is issued in accordance with Clause 8.1 of the Competition in Connections (CiC) Code of Practice.

Completed forms should be returned to [code.administrator@energynetworks.org](mailto:code.administrator@energynetworks.org) for assessment by the Panel. Failure to complete parts of the form may result in it being rejected by the Panel.

Document	
Date of Submission	13/12/2016
Proposer Details	
Category (delete as appropriate)	DNO
Company Name	Northern Powergrid
Proposer Name	Geoff Earl
Email Address	Geoff.Earl@northernpowergrid.com
Phone Number	07778 342653
Modification Proposal Details	
Mod Proposal Title	Transfer of Control
Impacted Parties	ICPs/IDNOs/DNOs/DG and other parties
Related Mod Proposals	N/A
Modification Proposal Intent	
<i>Please indicate the intention behind the modification to the CiC Code of Practice.</i>	
The purpose of this modification is to correct drafting inconsistencies to the sections 5.2.16 and 5.2.17 under 'Option 3 Transfer of Control.'	
CiC Code of Practice Objectives	
<i>Modification proposals must be assessed against the relevant objectives, which have been set out by Ofgem and which are included in the CiC Code of Practice.</i>	

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Please tick the box(es) which you believe your proposal better facilitates.

- ☐ Facilitate competition in the market for new electricity distribution connections through:
- ☐ Minimising, to the fullest extent reasonably practicable, the number and scope of Input Services which are only available to the DNO;
  - ☐ providing Input Services on an equivalent basis to all Connection Parties that operate in the Local Connections Markets; and
  - ☐ harmonising, to the fullest extent reasonably practicable, the Input Services provided by Distribution Service Providers.
- ☒ Not to distort, prevent or restrict competition in the market for new electricity distribution connections.
- ☐ 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.

### Rationale for modification proposal against CiC Code of Practice objectives

*If appropriate, please indicate the reason the modification may go against the objectives set out in the CiC Code of Practice, and why you have selected the particular relevant objectives and not others.*

Northern Powergrid have been unable to develop a compelling case that there is no inconsistency between SLC26 and the Code as presently drafted because the scope of the restriction in SLC26 is so broadly drawn. So we think that the most promising solution is a modification to the Code that attempts to define option 3 in such a way that no breach of SLC26 is implicit.

### Proposed Solution and Draft Legal Text

*Please indicate the proposed change to the text as is current in the CiC Code of Practice. This is to provide an indication of the proposed changes to the text and can be refined as part of the working group process.*

We offer the following text to replace sections 5.2.16-17 of the Code as a possible way forward:

‘Under this option, without relinquishing operational control over, its network, a DNO may temporarily assign to an ICP authority to conduct the necessary specified field operations within a pre-defined and electrically isolated part of its network. Under these arrangements the ICP will be permitted to undertake certain limited duties to enable it to connect extension assets without reference to the DNO’s control centre. It will perform these duties in accordance with its own SMS, including its Safety Rules.’

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‘For the avoidance of doubt, Option 3 does not put DNOs in conflict with SLC26.’

### Business Justification and Market Benefits

*Please indicate how you believe the modification will be beneficial for competition in the electricity distribution connections market.*

This change to the code of practice will help address the apparent drafting inconsistency between SLC26 and the Code as presently drafted. This will help avoid over the definition of the transfer of control of assets.

### Impact on Reporting Requirements

*Please indicate as to whether the modification proposal will affect the Reporting Requirements form. If so, please describe what changes are likely to be required.*

There is no impact on the Reporting Requirements form.

### Proposed Implementation Date

*The date on which you would like the modification to take effect.*

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### Relation to other industry modifications

*Please indicate if this modification has any interaction with any other modifications that have been submitted to the CiC Panel.*

This modification has no other interactions.

### Consideration of Wider Industry Impacts

*Please indicate whether the modification proposal would affect any other industry codes (DCUSA, etc.)*

N/A

### Confidentiality

*Please indicate any aspect of the modification proposal should remain confidential. Justify your reasons why in terms of the commercial detriment publication would cause.*

N/A

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