



Competition in Connections Code of Practice – Consultation

0003 - CiC Code of Practice Reporting Requirements

18 January 2016

Version 1

1. Purpose and Objective

- 1.1.** The purpose of this consultation is to seek wider views on the proposal to create a common reporting template for Distribution Network Operators (DNOs) to use to meet their obligations of the Code of Practice. This document has been published on the [Competition in Connections Code of Practice website](#) and communicated to Independent Connection Providers (ICPs) / Independent Distribution Network Operators (IDNOs) / DNOs and other interested Parties.
- 1.2.** The intent of the modification is to meet the requirements of the Competition in Connections Code of Practice (“The Code of Practice”) Section 9, as published in July 2015. This stated that:
“Each DNO shall publish an annual report by the end of September each year to demonstrate their compliance with this code of practice. This report shall include reporting on the volume of inspections by the DNO on connections completed by all parties (including the DNO’s own business or affiliates and competitors). The report will include such detail on processes and procedures and available metrics to demonstrate the DNO is providing the equivalent level of service to independents as to them undertaking connection activities themselves for each of the Input Services. The detail of the reporting requirements will be developed in conjunction with stakeholders and approved by Ofgem. These details shall be finalised by 15 January 2016 and if appropriate a modification raised. If a modification is not deemed appropriate the DNO shall, in co-operation with the other DNOs, provide an explanation to Ofgem.”
- 1.3.** The purpose of this modification is to introduce to the Code of Practice a common template for DNOs to use to meet their obligations to publish an annual report by the end of September each year. This report will demonstrate their compliance with the Code of Practice.
- 1.4.** The Code of Practice working group is seeking responses by 17:00 on 8 February 2016. The working group will consider those responses and publish how it proposes to deal with them, alongside a final modification report. This report will go to the Competition in Connections Governance Panel (“The Panel”) to consider its recommendation for approval or rejection, which will then be submitted to Ofgem for their final decision on whether to include the changes in the Code of Practice.
- 1.5.** Alongside this, the Code of Practice working groups have also issued consultations on [self determining the point of connection](#) and [self design approval processes for ICPs](#).

2. Background

- 2.1. In July 2015, Ofgem approved the Code of Practice which had been developed by DNOs. This code outlines the way in which DNOs will provide the input services to facilitate competition in the electricity connections market. DNOs are required to comply with the Code of Practice by standard licence condition 52 of the electricity distribution licence.
- 2.2. The Code of Practice includes governance arrangements to manage changes to it over time. Under these governance arrangements a Panel was established. This comprises of DNOs and representatives from trade associations representing ICPs (specialising in both metered and unmetered connections) and IDNOs. A full list of Panel members can be found on the [Code of Practice website](#).
- 2.3. Any interested party may submit a modification proposal to the Panel. If the Panel decides that the modification proposal may better meet the Code of Practice relevant objectives then a working group will be created to develop the modification proposal. The working group must consult with interested parties and produce a report for the Panel, to include both recommendations and how any consultation responses have been taken into account. The Panel will vote on whether the modification proposal better meets the Code of Practice relevant objectives and the outcome of the vote will determine if the report recommend that Ofgem approves or rejects the proposal. The report together with any recommendation will be sent to Ofgem for a decision. If Ofgem approves the modification proposal the Code of Practice will be modified accordingly.
- 2.4. When Ofgem approved the Code of Practice in July 2015, it highlighted three areas where it wanted further details. These were design approval; self determination of the point of connection; and reporting requirements to demonstrate compliance with the Code of Practice.
- 2.5. The detail of the reporting requirements will be developed in conjunction with stakeholders and approved by Ofgem. This review was to be completed by 15 January 2016.
- 2.6. The Panel discussed reporting requirements and the feedback was for reporting requirements to be included as an Annex to the Code of Practice and progressed through a formal modification proposal.

3. Summary of Changes

- 3.1. The modification proposal was raised by Electricity North West and was submitted to the Code of Practice secretariat on 1 December 2015. The rationale of the modification proposal was to produce a common template for all DNOs to use to comply with the

obligation set out by Ofgem to publish an annual report by the end of September each year to demonstrate compliance with the Code of Practice.

- 3.2.** The common template has been formed by identifying where in the Code of Practice there are obligations on the DNOs. In each instance the specific text of the Code of Practice has been included in a separate box in the template, for each DNO to fill in what they have in place to fulfil that obligation. The final approved template will be added to the Code of Practice. Therefore, any changes to the template will require a modification.
- 3.3.** The proposed template also includes the reporting table to be completed by the DNO that provides quantities of relevant activity in the previous year. These are generally split by Ofgem's relevant market segments to provide by suitable granularity.

3.4. Names of members and their organisations:

Glyn Jones (Chair)	Sterling Power Group
Brian Hoy	Electricity North West
Catherine Falconer	SSEPD
David Overman	GTC
Gareth Pritchard	HEA
Graham Smith	Kier
Ian Cobley	Northern Powergrid
Neil Fitzsimons	Poweron Connections
Paul McGimpsey	SP Energy Networks
Richard Allcock	Western Power Distribution
Stephen Perry	Ofgem
Sue Jones	UK Power Networks
Neil Magrath	UK Power Networks

4. Rationale for Changes to Code

- 4.1.** The modification proposal will result in a common template for consistent reporting among DNOs, which will enable any inconsistency in approach on input services to be highlighted, therefore indirectly helping to further harmonise input services. It better achieves the objective to facilitate competition in the market for new electricity distribution connections through harmonising, to the fullest extent reasonably practicable the input services provided by Distribution Service Providers.

Separately, the modification proposal will provide a clear and common template for DNOs to report against the requirements in the Code of Practice. This will make it easier for stakeholders, including DNOs' competitors within the connection market, to understand how DNOs are complying with the Code of Practice and identify best practice. In addition, it will highlight where any DNO has not complied with the Code of Practice. Consequently, it better achieves the objective not to restrict, prevent or distort competition in the market for new electricity distribution connections.

5. Questions in summary

- 5.1. Do you believe that a template is the best way of capturing these requirements?
- 5.2. Does the proposal better achieve the relevant objectives?
- 5.3. Do you agree with having the reporting template incorporated into the Code of Practice?
- 5.4. Do you think that the proposed template captures all of the reporting obligations of the DNO? Please confirm whether you agree or disagree and also identify any omissions against the relevant section in the table:

Section	Agree / Disagree	Comments
Connection Application		
Determining whether an ICP can undertake assessment of POC		
DNO Input Services where the ICP determines the POC		
POC assessment Using standard Design Matrix		
Information Exchanges		
Connection Design		
Design Approval		
Final Connection		
Inspection		
Land Rights		
Adoption		
Dispute Resolution		

- 5.5. Are there any other reporting requirements not captured in the proposed template?
- 5.6. Do the reporting tables in the proposed template adequately capture the information that DNOs need to report to demonstrate compliance?

6. Implementation

- 6.1. Responses should be submitted to the Code of Practice secretariat – code.administrator@energynetworks.org by 17:00 on 8 February 2016. All responses will be published on the Code of Practice website, unless otherwise listed as confidential.

7. Attachments

- 7.1. Please see the Reporting Requirements Template in Appendix One.
- 7.2. Please see the CiC Code of Practice Modification Proposal in Appendix Two.

