



ICP / IDNO Newsletter

February 2018

Introduction

We are excited to bring you the latest edition of our newsletter for Independent Connection Providers and Independent Distribution Network Operators, letting you know the progress and improvements we have made and giving you an update on how we are implementing relevant regulatory changes. This includes updates relating to our revised G81 Planning and Design Specifications; our proposed Part-Funded Reinforcement Trial; the new Connection Offer Expenses Regulations; and the revised Electricity (Connection Charges) Regulations (ECCR).

Our new/improved G81 Planning and Design Specifications:

We have recently updated our Engineering Policy documents including G81 Planning and Design Specifications, and these new/improved documents have been recently uploaded onto the secure area of our website, which Alternative Providers can access via their account login (www.ssen.co.uk/CompetitionInConnections/DesignAndSpecificationDocuments/).

A matrix, cross-referencing the old and new documents, has also been uploaded (refer to TG-NET-ENG-004: SSEN Matrix of Documents used in Conjunction with New Connections).

The new documents become 'live' on 5th February 2018, once they have been published on our website. We do acknowledge that there will be work in the pipeline which has been designed or approved using current versions of the documents. Designs and installations started, already advised to us before the issue of the new documents, will be honoured up to one year after publication of the new documents.

Part-Funded Reinforcement (PFR) trial update:

We are proposing to run a trial to allow ICPs to carry out Part-Funded Reinforcement works as part of a new connection. The proposal has been developed in direct response to feedback from stakeholders, as set out in a commitment made under the Incentive on Connections Engagement (ICE) 2015-2016 submission. An internal working group was established to develop the proposed basis for a trial. This work is now complete and a report setting out details of the proposed trial, including the requirement for a derogation under our Connection Charging Methodology Statement (CCMS) was submitted to Ofgem in early January 2018. We are waiting for Ofgem's feedback on our proposal which will determine the next step and potential start date for the trial. Further updates to come.



Connection Offer Expenses:

The Department for Business, Energy and Industrial Strategy (BEIS) are introducing new regulations from April 2018 that will allow DNOs to charge Connection Offer Expenses (previously Assessment & Design 'A&D' Fees) to all customers who apply for a connection, regardless of whether the customer accepts their connection offer. Currently only customers who accept connection offers pay a fee. The cost associated with the DNO producing all offers is spread across these customers who accept their offer. The new regulations will allow a fairer distribution of costs across all customers and should reduce the number of speculative applications that we receive and potentially free up DNO resources to improve our connection offer services to the customer.

Following a recent consultation on our website, we are currently finalising our policy on how we will apply the new Connection Offer Expenses Regulations. We intend to issue an invoice for these charges at the same time as we issue the connection offer, to ensure the process is as efficient as possible. A simple guide to Connection Offer Expense will be published on our website in due course.

Electricity (Connection Charges) Regulations (ECCR):

In April last year, BEIS revised the Electricity (Connection Charges) Regulations (ECCR). The amended regulations came into effect on 6th April 2017 and include some significant changes to the previous version.

There will be a period for which both regulations are in place:

- For connections made prior to 6th April 2017, the 2002 Regulations will apply; and
- For connections made on or after 6th April 2017, the 2017 Regulations will apply.

ECCR only applies if a customer's connection uses a previously installed network asset within the prescribed period. For the 2002 Regulations this is five years, for the 2017 Regulations this has been extended to ten years after the date that the first connection was made.

ECCR 2002 does not apply for connection assets which were installed by ICPs/IDNOs. One of the key changes of ECCR 2017 is that the customers of an ICP may qualify for rebate. In this case the DNO will assess the cost of the connection which was installed by an ICP and the DNO will include the rebate charges into the quote letter. At the completion of the subsequent connection the DNO issues an invoice with the rebate charges to the subsequent customer.

We have amended our systems to accommodate these modifications of the ECCR. We also intend to enhance our website to show ICPs where there were previous reinforcements in our distribution network. This reinforcement register will allow ICPs to review whether 2nd comer charges apply to their connections or not. We will provide information on our website on how to use this new register. Further updates to come.



Introducing a new Accreditation under the National Electricity Registration Scheme (NERS):

The NERS Advisory Panel (NERSAP) has established a sub-group called the 'Designer Steering Group' to develop the 'Governance of Network Design Competence'. NERSAP has also established a new working group called the 'Designer Competency Working Group'. This working group is to look further at how the National Electricity Registration Scheme (NERS) could incorporate the suggestions of the 'Designer Steering Group'. The first meeting of the group was held in April 2017, and a second meeting followed in May 2017. Within the two meetings a 'Governance of Network Design Competence' was developed by Network Owners and Independent Connection Providers, in conjunction with Lloyd's Register, National Skills Academy for Power, training providers and recognised institutions. The Governance of Network Design Competence provides a clear development process for (but not limited to) IDNOs and ICPs Network Designers through a series of modules, encouraging their staff to gain new knowledge and relevant skills in a structured way. The 'Governance of Network Design Competence' has been signed off in principle by NERSAP and will be incorporated into the revised NERS Scope Guidance document which will soon be published on Lloyd's Register website.

Other relevant updates:

Safety Rules – updated link on website to ENA safety rules

We have updated our website to include a link to the Model Distribution Safety Rules provided by the ENA. Please visit our Connections – Competition in Connections webpage at www.ssen.co.uk/CompetitionInConnections/ and scroll down to 'Model Distribution Safety Rules'.

Network Adoption Process Flowchart (Metered Connections)

We have improved our process flowchart adding information to clarify of the overall process. The revised flowchart can be found on our website at www.ssen.co.uk/CompetitionInConnections/.

Bilateral Connection Agreement (BCA) Templates

Following our breakout session on BCAs at the last engagement days, our model BCA templates are now available on our website. These can be found under the section for 'Competition in Connections' on our 'Connections – Useful documents' webpage at www.ssen.co.uk/connections/usefuldocuments/.

Our next ICP/IDNO Engagement Day is not that far away. If you haven't registered already, why not join us at the session in Scotland on 8th February 2018 or in England on 1st March 2018.

Please, visit our calendar of events at www.ssen.co.uk/stakeholderevent/basicsearch/.



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