

PowerCon (UK) Ltd

Power Connection Consultants

Ronan McKeown
Electricity Branch
Utility Regulator
Queens House
14 Queens Street
Belfast BT1 6ED

19th February 2015

Our Ref : NIREg/CinC
Your Ref :

Dear Ronan,

Electricity Connections NI
Consultation on the introduction of Contestability in Connections

Dear Ronan,

We thank you for the opportunity to respond to the Contestability in Connections consultation. Please find attached the response from PowerCon (UK) Ltd.

Q1. Are there any other factors in Northern Ireland not discussed in Section 4 that should be taken into consideration when implementing Contestability?

To the best of our knowledge we believe that the list provided appears to be encompassing.

Q2. From the models highlighted in RoI and GB (Section 5), which do you think would present the best option for NI and why?

We are of the opinion that both the GB and RoI models are actually very similar in concept. Our main cause for concern is the level of autonomy and contractual liability place with the contractor under the RoI model. Conversely, we would be concerned that NIE could end up with contractual problems and disputes if the less rigorous RoI model is adopted. It is considered that these factor alone may be a cause for concern should the RoI model be ultimately adopted within NI.

On this basis it is considered that the GB model represents the best option for NI.

Q3. From the issues highlighted in Ofgem's review (Section 6), are there any that cause a significant threat to contestability being successful in NI?

We are of the opinion that there are few concerns or threats to contestability having a successful outcome in NI, just as has been proved to be the case in GB. It has taken a degree of co-operation on the part of all interested parties and a willingness to make a success of turning a monopoly industry into functioning contestable working practices. From a funders

PowerCon (UK) Ltd. Trading address: 22, Barass Ave, Worcester WR4 0QD.

PowerCon (UK) Ltd. Registered office address: 93, High Street, Evesham, Worcestershire WR11 4DU
Company Reg No 07590423 in England and Wales

and developers / ICP point of view there has been the requirement at the outset to ensure that General Standards of Performance (GSoP's), Charging Methodologies and functional standards are set in place at the outset by which to measure performance and support the process.

Q4. Is there any documentation that has been missed from the list detailed in 7.11.1?

Please see our response to question 5 below with regard to Inspection and Monitoring regimes.

Q5. Are there any other non-contestable works that are not outlined in 7.12 that should be considered?

We would suggest as part of the initial consultation work there needs to be consideration as to the appropriate levels of 'Inspection and Monitoring' of the ICP by NIE and this needs to be defined and agreed. Within GB this is a cost to be borne by the ICP (as a non-contestable charge levied by the DNO on the ICP) and will therefore reflect in the 'competitiveness' of an ICP and therefore the contestable works costs.

This was originally a source of serious concern and impacted on the effectiveness of the ICP to undertake and complete the competitive works. So saying a level of trust between ICP's and DNO's has been established to the extent that Inspection and Monitoring is now rarely considered to be an issue.

Q6. Do you agree with the approach described in 7.13.1?

Whilst we do agree with the process as generally described we do not agree that work undertaken by a contractor or ICP should be 'loaded' with any addition charges and/or fees that would not otherwise be levied had the DNO undertaken the work. Clearly this would place the contractor or ICP at a financial disadvantage and may lead to customers placing their work with the host DNO. We would therefore seek justification should this be considered or implemented.

We would further suggest that the level of Contractor/ICP warrantee would be established at the outset and any rectification works that were proved to be the responsibility of the contractor or ICP would, rightly, be recharged. We would further suggest that manufacturer's warrantees for plant and equipment would be transferred to the host DNO on energisation and the quality of works undertaken would be considered to be acceptable, assuming that an accreditation process had been invoked.

Q7. Should the connecting party be allowed to choose what contestable elements they wish to undertake?

Within GB it is expected that the customer /client will either place all of the work with the DNO or will go the contestable route. So saying clearly there are interface issues (Wayleaves being a good example) whereby there is often an 'overlap' of responsibility that is inevitably resolved through mutual co-operation.

Having stated the above we would suggest that 'cherry picking' of the contestable elements would actually be in no-ones interest.

Q8. Are there any further policy considerations that have not been considered in 8.1?

We would suggest that there are a suite of documents available from within the Energy

PowerCon (UK) Ltd. Trading address: 22, Barass Ave, Worcester WR4 0QD.

PowerCon (UK) Ltd. Registered office address: 93, High Street, Evesham, Worcestershire WR11 4DU
Company Reg No 07590423 in England and Wales

Networks Association (ENA) that are highly relevant and pertinent (including the DG Guides). Since NIE is a party to the ENA we would suggest that these should be included (and reference made with links provided) on appropriate web site?

It may also be pertinent to include links to ongoing discussions with regard to Storage and Community type schemes?

Q9. Are there any further

We have no further comments

We trust the above is of service and look forward to be of continuing assistance on the Working Group.

Yours faithfully,

Bob Weaver
Director
Powercon (UK) Ltd

e-mail : bw@powercon-c.com

Mob : 07557345243