

**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.

<b>Document</b>	
Date of Submission	13 <sup>th</sup> July 2018 (final submission)
<b>Proposer Details</b>	
Category (delete as appropriate)	ICP
Company Name	P N Daly Ltd
Proposer Name	Patrick J Daly
Email Address	pj.daly@pndaly.co.uk
Phone Number	07974455302
<b>Modification Proposal Details</b>	
Mod Proposal Title	Review of DNO exclusion at 2.2.1
Impacted Parties	SLC52 Schedule 3 License holders
Related Mod Proposals	Strike/remove the exclusion
<b>Modification Proposal Intent</b>	
<i>Please indicate the intention behind the modification to the CiC Code of Practice.</i>	
Review of 2.2.1 to ensure alignment with the express objectives and principles of SLC52	
<b>CiC Code of Practice Objectives</b>	
<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>	
Please tick the box(es) which you believe your proposal better facilitates.	
<input checked="" type="checkbox"/> Facilitate competition in the market for new electricity distribution connections through: <ul style="list-style-type: none"> <li><input type="checkbox"/> Minimising, to the fullest extent reasonably practicable, the number and scope of Input Services which are only available to the DNO;</li> <li><input checked="" type="checkbox"/> providing Input Services on an equivalent basis to all Connection Parties that operate in the Local Connections Markets; and</li> <li><input type="checkbox"/> harmonising, to the fullest extent reasonably practicable, the Input Services provided by Distribution Service Providers.</li> </ul>	
<input checked="" type="checkbox"/> Not to distort, prevent or restrict competition in the market for new electricity distribution connections.	
<input type="checkbox"/> 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.	

Code Administrator use only:

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**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.*

Relevant Objective 2.3.1(a)ii clearly states that DNOs must provide Input Services on an equivalent basis. The wording of the first bullet point in 2.2.1 could be misconstrued to mean that the DNO is excluded from every single aspect and requirement of the Code of Practice. Whilst it is understood that there are other obligations on DNOs, the specific drafting of 2.2.1 creates ambiguity for a casual reader. This ambiguity could therefore allow a DNO not to provide Input Services on an equivalent basis which in turn could lead to distortion and/or prevention of competition.

**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.*

The below extract from the CIC Code of practice below should either be removed or redrafted in order to ensure it cannot be misleading, and to make sure that it serves to reinforce the principles and objectives of SLC52

*“2.2 Out of Scope*

*2.2.1 Areas not included in the Code of Practice are:*

- Where the customer has accepted a DNO quotation for both the Contestable and Non Contestable works”*

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**Business Justification and Market Benefits**

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

When an Independent Connections Provider receives a request to offer a price for the connection of new development, the offer is required generally to include for design construction and connection of the works (gas, water and electricity) including all contestable and non contestable activities.

The Code of Practice stipulates the interface between the DNO and the ICP/IDNO and the requirements on both parties.

Whilst the scope of the Code of Practice does not define the processes for when the DNO quotes for both contestable and non-contestable activities there are a number of obligations that require the DNO to not discriminate and to provide Input Services on an equivalent basis to all market participants.

If developers (wrongly) perceive that there are no criteria that applied to when DNOs quoted for both contestable and non-contestable activities then the developer could, as a result, perceive that using a DNO provides a competitive advantage over using an ICP and is perhaps a lower risk strategy.

The change that has been requested would reduce the possibility of the above misconception by removing a source of potential ambiguity from the Code of Practice Document.

**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.*

None

**Proposed Implementation Date**

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

1 November 2018

**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.*

None

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**Consideration of Wider Industry Impacts**

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

None

**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.*

None

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