

Triangular Arrangements for Unmetered Connections

The framework

The outline arrangement described here has been developed to facilitate competition in high-volume unmetered connections. It would facilitate competition on service cable connections subject to certain safety, quality and contractual pre-qualifications. The independent connections provider (ICP) would work for the highways authority (HA) to carry out contestable connection works for adoption by the distribution network operator (DNO).

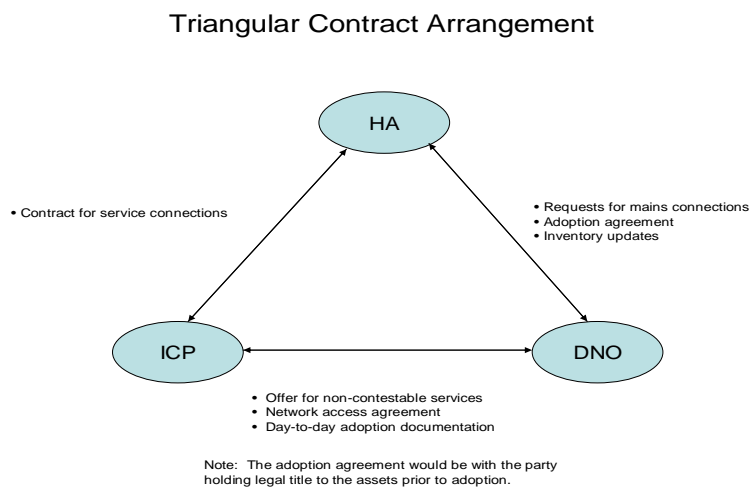
The detail of the contracts would be developed following clarification of the roles and responsibilities sought by the parties involved. For example, the ICP may act as the HA's authorised agent to handle all routine day-to-day adoption forms.

This arrangement would facilitate work on the service cable as a contestable activity and work on mains cables would remain non-contestable and be undertaken by the DNO. For clarity, live jointing by the ICP under this arrangement would be restricted to underground single-phase 230V service cables.

Consideration would be given to developing this arrangement further such that the successful ICP could carry out non-contestable jointing as a contractor/agent to the DNO.

Fundamental to this process is the requirement for physical work to be carried out by a competent workforce under competent supervision. Arrangements would need to be in place to ensure that work was carried out in a safe manner, to agreed standards and specifications and not to the detriment of other users of the DNO's distribution network.

The diagram below summarises the proposed arrangements:



Connection agreement

The initiation of a triangular agreement would also be subject to the completion of an unmetered connection agreement, including the requirement to maintain an accurate inventory.

The contracts and interfaces

DNO – HA

The necessary contracts will include an adoption agreement in which the DNO will agree to adopt assets upon their satisfactory completion. The agreement addresses a number of key aspects, including:

- Transfer of title of the constructed asset from the HA to the DNO. The owner of the assets prior to adoption will depend on the relationship between the materials supplier/asset constructor (ICP) and HA.
- The safety of the adopted asset
- The quality of the adopted asset, with surety as required
- Land and property rights matters (wayleaves, easements, transfers etc.) both on and off the site. These must be in place with the DNO at adoption.
- Planning permissions as required (the right for the asset to be constructed in the first place).

The HA may appoint the ICP as its authorised agent for the purposes of completing day-to-day adoption forms and requesting non-contestable connections.

DNO – ICP

The contractual arrangements between the DNO and the ICP are to facilitate network access and ensure that all operational work on the DNO network is carried out safely and with minimum disruption to other parties connected to the DNO network.

The offer for the non-contestable elements could be made to the ICP or the highways agency.

The DNO needs to retain a degree of control as the ICP is working on the DNO network and is therefore required to agree terms for network access and to have consent to connect for making or altering a connection to that network. The DNO is also required to have the ability to withdraw network access and consent to connect.

HA - ICP

This contract may be subject to competitive tender and is likely to be a materials, services and data provision contract. Materials would need to meet the requirements of DNO specifications.

The HA would need to appoint a contractor with the appropriate accreditations under the Lloyds NERS scheme or similar. The ICP would construct assets on behalf of the HA, would own those assets prior to adoption.

The HA may be responsible for organising and scheduling all contestable work and may also be responsible for all NRSWA obligations. The HA may wish to address all risks and liabilities associated with the work in this contract. This could include all risks to the public (e.g. signing and guarding) and to the employees of the ICP (e.g. a safe excavation and working environment). Clearly, the commercial terms covering the work scheduling etc may also need to be covered, including the impact of any loss of authorisation of the ICP to work live on the DNO network.