

Notice of intention of the Gas and Electricity Market to release SSE plc from its commitments following a decision to accept binding commitments in an investigation into compliance with Chapter II of the Competition Act 1998 and/or Article 102 of the Treaty on the Functioning European Union.

Subject	Details
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In January 2015, we opened an investigation into the conduct of companies in a corporate group headed by SSE plc ("**SSE**") under the Competition Act 1998 ("**CA98**"). The investigation looked at whether SSE had infringed Chapter II of the CA98 and/or Article 102 Treaty on the Functioning of the European Union ("**TFEU**")¹ by abusing a dominant position and putting its competitors at a disadvantage in the electricity connections market in the area covered by SSE's electricity distribution network in the south of England. On 3 November 2016, following a statutory consultation,² we decided to accept binding commitments from SSE ("**the Commitments**"). The Commitments³ addressed the competition concerns that we had identified during the course of the investigation ("**Ofgem's competition concerns**").⁴ As a result of accepting the commitments, Ofgem closed its investigation with no decision made on whether or not SSE infringed competition law. The Commitments took effect from the Implementation Date, 4 May 2017 (which is 6 months after the day of our decision to accept the commitments, 3 November 2016) and were subject to review following a period of 5 years after the Implementation Date.

This consultation, as required by paragraph 11 of Part II of Schedule 6A of the CA98, sets out our proposal to release SSE from the Commitments and seeks views from SSE, other

¹ EU law ceased to apply on 1 January 2021 and therefore the application of the TFEU will no longer be applicable to this consultation and any future decision. The applicable legislation is the Competition Act 1998.

²https://www.ofgem.gov.uk/sites/default/files/docs/2016/06/sse_notice_of_proposal_to_accept_commitments.pdf

³ [Decision of the Gas and Electricity Markets Authority to accept binding commitments from SSE plc, following investigation into compliance with Chapter II of the Competition Act 1998 and/or Article 102 of the Treaty on the Functioning of the European Union | Ofgem](#)

⁴ See our decision accepting the Commitments, paragraph 6.22.

interested parties and other industry stakeholders as to whether Ofgem should release SSE from the Commitments.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will carefully consider all responses prior to taking our final decision. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations).

If you want your response – in whole or in part – to be considered confidential, please indicate the confidential parts in your response and explain why these should be treated as such. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

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1. Glossary

Authority – the Gas and Electricity Markets Authority, the governing body of Ofgem. For the purpose of this notice, the term also refers to Ofgem as it represents the Authority.

CA98 – Competition Act 1998.

CiCCoP – the Competition in Connections Code Of Practice.

Contestable Connection Services – the services which can be provided by a DNO, IDNO or ICP which are necessary for the provision of a connection to a distribution network.

DNO – Distribution Network Operator. Electricity distribution networks carry electricity from the high voltage transmission grid to industrial, commercial and domestic users. Each local electricity distribution network is managed by a DNO. There are 14 licensed DNOs in Britain.

Electricity Act – Electricity Act 1989.

HV – high voltage.

ICP – Independent Connections Provider. ICPs develop local electricity distribution networks and then an IDNO or DNO will operate and maintain them.

IDNO – Independent Distribution Network Operator. IDNOs develop, operate and maintain local electricity distribution networks.

LV – low voltage.

Non-Contestable Connection Services – the services which can only be provided by a DNO and which are necessary for the provision of a connection to a distribution network.

POC – point of connection, the point at which a new connection, forming an extension to the local electricity distribution network, connects to that network.

RMS – the relevant market segments used by DNOs and third parties for the purposes of classifying and providing an electricity distribution connection.

SEPD – Southern Electric Power Distribution plc.

SHEPD – Scottish Hydro Electric Power Distribution plc.

SLC – a standard licence condition of the electricity distribution licence.

SSE – For the purpose of this notice, the SSE group (SSE, SEPD, SHEPD, SSEPD) is referred to collectively as SSE.

SSEPD – Scottish and Southern Energy Power Distribution Ltd.

TFEU - Treaty on the Functioning of the European Union.

2. Introduction

The Parties

- 2.1. SSE plc (company number: SC117119) is a company incorporated in the United Kingdom whose registered address is Inveralmond House, 200 Dunkeld Road, Perth, Perthshire, PH1 3AQ.
- 2.2. Scottish and Southern Energy Power Distribution Ltd (company number: SC213459, “**SSEPD**”) is also a company incorporated in the United Kingdom with the same registered address as SSE plc. It is wholly owned by SSE plc.
- 2.3. Southern Electric Power Distribution plc (company number: 04094290, “**SEPD**”) is a company incorporated in the United Kingdom whose registered address is : No.1 Forbury Place, 43 Forbury Road, Reading, United Kingdom, RG1 3JH. SEPD is the holder of a licence, granted by the Authority under section 6 of the Electricity Act, which permits it to distribute electricity in the area described in that licence. That area is in central southern England and incorporates the counties of Berkshire, Buckinghamshire, Hampshire, Oxfordshire and Wiltshire.
- 2.4. Scottish Hydro Electric Power Distribution plc (company number: SC213460, “**SHEPD**”) is a company incorporated in the United Kingdom whose registered address is also Inveralmond House, 200 Dunkeld Road, Perth, Perthshire, PH1 3AQ. It also holds a distribution licence under section 6 of the Electricity Act. It is responsible for electricity distribution in the north of Scotland.
- 2.5. SEPD and SHEPD are both wholly owned by SSEPD. For the purpose of this notice, the SSE group (SSE, SEPD, SHEPD, SSEPD) is referred to collectively as “**SSE**”.

Background of the Investigation into SSE (2014-2016)

- 2.6. In December 2014, Ofgem⁵ decided that there were reasonable grounds for suspecting that SSE had infringed Chapter II of the CA98 and/or Article 102 of the TFEU⁶ in the market for Non-Contestable Connection Services.⁷
- 2.7. Ofgem opened a formal investigation on 20 January 2015 in relation to SSE’s electricity distribution network and outlined the initial concerns we had in relation to SSE’s conduct when providing Non-Contestable Connection Services. The scope of the investigation only considered the distribution licence area of

⁵ The Office of Gas and Electricity Markets (“Ofgem”) is a non-ministerial government department and Great Britain’s independent National Regulatory Authority for the energy sector. It is governed by the Gas and Electricity Markets Authority (“GEMA” or “the Authority”). In this publication the terms “Ofgem”, “the Authority” and “we” are used interchangeably.

⁶ Evidence considered during the Ofgem’s 2014 review of competition in the electricity connections markets raised concerns that SSE may have engaged in anti-competitive behaviour when providing Non-Contestable Connection Services in relation to SSE’s distribution network.

⁷ These are services that can only be provided by an electricity distribution network operator and which are necessary for the provision of a connection to that operator’s distribution network.

SEPD. However, SSE committed to implement the commitments across both of its licence areas.

- 2.8. Our view was that SSE was likely to hold a dominant position in the market for Non-Contestable Connection Services for connections to its own distribution network because it was the only supplier of Non-Contestable Connection Services required for new connections to its network and no other undertaking could offer those services. As such, by providing Non-Contestable Connection Services to independent distribution network operators (“**IDNOs**”) and independent connection providers (“**ICPs**”) on a different basis compared to equivalent services it provided to its own connections business, in the absence of an objective justification, it risked placing those IDNOs and ICPs at a competitive disadvantage.
- 2.9. We identified the following practices which gave rise to competition concerns regarding SSE’s behaviour in providing services needed by its competitors (i.e. other IDNOs and ICPs) to connect new developments to SSE’s electricity distribution network in the South of England:
- SSE applied additional and/or higher non-contestable costs in its quotes to third parties IDNOs/ICPs compared with the non-contestable costs charged to its own connections business for transactions which appear to be equivalent.
 - SSE provided different cost quotes to IDNOs/ICPs compared to what it offered to its own business, for transactions which appear to be equivalent, based on different geographical Point of Connection (POC) locations which can have an impact on the non-contestable and contestable costs as well as on customer costs.
 - SSE also applied higher Connection Voltages (CV) to comparable works in its quotes to IDNOs/ICPs compared with connection voltages applied to its own connections business for transactions which appear to be equivalent. Non-contestable costs are further defined in Appendix 1 of the document.
- 2.10. Our evidence suggested that this behaviour may cause undue preference to or may unduly discriminate against ICPs or IDNOs with respect to Non-Contestable Costs, POC Location and Connection Voltages.

Decision to Accept Commitments

- 2.11. In order to address Ofgem’s competition concerns, SSE wrote to Ofgem in September 2015 offering to provide commitments. SSE committed to putting in place new processes and procedures to make sure it provides these essential services to all parties on a consistent basis. These steps include the following:
- **Commitment 1: Broad equivalence of quotations in respect of non-contestable costs, POC location and/or connection voltage.** To the maximum extent possible, SSE would ensure that quotations provided for equivalent requests for the same development were broadly equivalent in respect of costs for Non-Contestable Connection Services, POC location, and connection voltage.

- **Commitment 2: SSE’s internal structure and processes to facilitate functional separation.** SSE would implement a new operating model that would support functional separation of its connections business and introduce policies and processes to support this separation. The separation of the business was designed to ensure that the provision of Non-Contestable Connection Services was not structured in a way that caused undue preference to, or unduly discriminated against, ICPs or IDNOs.
- **Commitment 3: Systems, processes and training to facilitate the delivery of a transparent cost model, automated quotation system and compliance with competition law.** SSE would revise its policies and procedures to ensure that they reflect the commitments, in particular in relation to the obligation not to cause undue preference or discrimination against ICPs or IDNOs in respect of costs for Non-Contestable Connection Services, POC location and/or connection voltage.
- **Commitment 4: Reporting and provision of information.** SSE would provide the Authority with monitoring reports demonstrating the steps it had taken to comply with the commitments, and its ongoing compliance with the commitments. SSE’s compliance with the commitments would also be monitored by a third party, external auditor for the lifetime of the commitments. The commitments would be subject to review 5 years after the date they were implemented.

2.12. On 22 June 2016, we announced our intention to accept SSE’s proposed commitments because, following our assessment, we considered that they were suitable to address Ofgem’s competition concerns. We received five responses to our consultation. On 3 November 2016, we decided to formally accept SSE’s proposed commitments.

2.13. Our formal acceptance of the Commitments meant that the investigation was closed. No decision had been taken on whether or not SSE had infringed competition rules. The Commitments are binding and enforceable under section 31E of the CA98. The Commitments⁸ took effect on the Implementation Date, as defined in our decision to accept them (i.e., 3 May 2017). The Implementation Date was 6 months after we accepted the Commitments and they were subject to review following a period of 5 years after the Implementation Date. As this five-year period has now expired and SSE has requested to be released from the Commitments, we have reviewed whether there have been changes in circumstances relevant to the Commitments, such that they are no longer considered necessary or appropriate.

2.14. In March 2022, SSE sent Ofgem correspondence noting the upcoming review on the fifth anniversary of the Commitments being implemented and requesting to be released from the Commitments following that review. Therefore, Ofgem initiated a review of the Commitments in order to decide, following consultation, whether SSE should be released from the Commitments.

2.15. In the sections below, we discuss how SSE implemented the Commitments following their acceptance by Ofgem in 2016. This gives us confidence that

⁸ [Decision of the Gas and Electricity Markets Authority to accept binding commitments from SSE plc, following investigation into compliance with Chapter II of the Competition Act 1998 and/or Article 102 of the Treaty on the Functioning of the European Union | Ofgem](#)

there will be no recurrence of the behaviour that gave rise to Ofgem’s competition concerns. We also note how the state of the electricity distribution landscape has changed since our decision to accept SSE’s commitments. Taking these two factors together, means that we have reasonable grounds for believing that the competition concerns will no longer arise. This allows us **to propose to** release SSE from the Commitments.

3. SSE's delivery of the commitments

- 3.1. Ofgem received annual audit reports from SSE and from their external auditor, Henderson Loggie over the 5-year period. The purpose of the Henderson Loggie audit reports were to provide "reasonable assurance" that the report produced by SSE to Ofgem described the measures taken by SSE to ensure compliance with the Commitments, to improve services needed for competitors to connect customers to its distribution network. Where Henderson Loggie felt there were additional measures to be taken, they made recommendations to SSE to implement those measures.
- 3.2. We reviewed these reports annually and we are satisfied with the steps taken by SSE to comply with the commitments:
- **Commitment 1: Broad equivalence of quotations in respect of non-contestable costs, POC location and/or connection voltage:**
 - SSE has demonstrated that there have been adequate levels of quotation checking to ensure that the non-contestable connection services to IDNOs and ICPs are not provided on a different basis to the provision of those services to its own connections business
 - **Commitment 2: SSE's internal structure and processes to facilitate functional separation:**
 - SSE has demonstrated that the functional separation has been in place throughout the period. SSE developed functional separation monitoring (including system access checks) which was checked on a fortnightly basis by their Connections Quality Team.
 - **Commitment 3: Systems, processes and training to facilitate the delivery of a transparent cost model, automated quotation system and compliance with competition law:**
 - SSE has developed procedural documents and implemented system improvements. In addition to this, all employees working on quotations have received competition law compliance training in order to avoid applying anti-competitive practices. This training takes place both for new staff and annually for existing staff.
 - **Commitment 4: Reporting and provision of information:**
 - SSE has provided Ofgem with an annual compliance report each year, demonstrating that they have met the commitments. In addition to this, SSE provided an annual independent assurance report provided by a third party, an external auditor, Henderson Loggie.

4. Legal framework

4.1. The CA98 sets out the circumstances in which commitments may be released:

- Section 31A(4)(b) states that the commitments may be released where we are requested to do so by the person who gave the commitments or there are reasonable grounds for believing that the competition concerns no longer arise.

4.2. Schedule 6A sets out the procedural requirements for releasing commitments:

- a notice stating that we propose to release the commitments, providing the reasons for it, and the period within which representations may be made in relation to the proposed release must be published and sent to the person who gave the commitments;
- the period under which representations may be made must be for a minimum of 11 working days; and
- we must consider any representations made in accordance with the notice.

5. SSE's request to release the Commitments

- 5.1. In March 2022, SSE submitted a request under section 31A(4)(b)(i) of the Act for us to consider releasing it from the Commitments at the review to be undertaken on the fifth anniversary of their implementation. SSE's submission set out why it believed that the Commitments were no longer required. The reasons SSE gave are as follows:

"What has changed since the Commitments were put in place?"

- 5.2. Since the investigation began in January 2015, the electricity distribution sector has introduced a number of significant changes to the regulatory framework that SSE's Commitments were intended to address. In particular, a new Standard Licence Condition 52, the creation of the Competition in Connections Code of Practice and the introduction of the Incentive on Connections Engagement. These are described in detail in paragraphs 5.4-5.7. The principles underpinning these regulatory developments are now well embedded across the industry and facilitate effective and efficient competition. They form part of the RIIO-ED2 regulatory framework which Ofgem has set out as the basis for DNOs to prepare and cost business plans out to 2028.

Why are the Commitments no longer required?

- 5.3. SSE told us that as a result of the significant developments in the Competition in Connections landscape in the past five years, alongside the positive annual compliance monitoring reports, they consider that it is appropriate for GEMA to release SSE from the Commitments, with effect from the fifth anniversary of implementation, 7 May 2022.

Annex 1 - What has changed since the commitments were put in place?

- 5.4. SSE also told us that since the investigation began in January 2015, the electricity distribution sector has introduced a number of significant changes to the regulatory framework that SSE's Commitments were intended to address. These were introduced separately to and went above and beyond the Commitments, providing new obligations on all DNOs to ensure the competitive market in connections is open, transparent and accessible to new entrants. In particular:
- 5.5. **New Standard Licence Condition (SLC) 52.** This requires DNOs to comply with the new Competition in Connections Code of Practice (CiC CoP). The CiC CoP sets out that DNOs must reduce the extent to which competitors depend on them for essential services and where those services must be provided by DNOs, these must be provided to them on the same basis as they are to the DNO's own connections business. This means broad equivalence of quotations which are issued for projects at the same development based on the requested date regardless whether the requests came from a customer or an ICP/IDNO.
- 5.6. **Creation of the CiC CoP and governance.** The introduction of the CiC CoP ensures that customers receive equivalent quotations for projects at the same development and its governance allows ICPs, IDNOs and customers to request improvements and changes to the CiC CoP. The CiC Code of Practice Panel, including six DNO and six non-DNO representatives (including ICPs and IDNOs),

acts as a forum to review and consider modifications to the CiC CoP. Changes can be proposed by anyone, with the Panel taking forward any modifications that will better facilitate the relevant objectives of the CiC CoP. This provides openness and transparency around DNOs' activities and opportunities for ICPs and IDNOs to change them. Annual reporting required by the licence demonstrates licensees' compliance with the CiC CoP with no concerns raised by Ofgem to date; and

- 5.7. **The introduction of the Incentive on Connections Engagement (ICE).** This drives DNOs to focus on, understand and respond to the needs of major connections customers with the aim to replicate the effects of competition. It also gives an opportunity to all large connections customers, including ICPs and IDNOs, to voice any concerns and request improvements to DNOs' systems and processes, directly from DNOs. Every year we deliver on commitments made in the annual ICE submission which are co-created with our major connections stakeholders."

6. Overview of changes to promote competition in Electricity Distribution in the Connections Market

- 6.1. In recent years, there have been several important developments that are supporting improved competition in the distribution connection market more generally and also in SSE's distribution area. We consider that these developments prevent Ofgem's competition concerns from arising. We are providing here a summary of these changes to help stakeholders understand them and their impact on the competition landscape as part of our review on whether to release SSE from the Commitments.
- 6.2. In June 2014, we launched a call for information for a market review of new connections to the electricity distribution system. This was in response to continued concerns about whether competition in this market is effective. The call for information asked for stakeholders' responses and we said we would make a decision by the end of 2014 on whether any further action was necessary.
- 6.3. In January 2015, the Authority published its findings,⁹ whereby many of those problems raised related to the role of the distribution network operators ("**DNOs**") in the connection process (as the sole provider, for both its own connections business and its competitors, of a several key inputs needed to make connection, "**Non-Contestable Connection Services**"). As a result of these findings, we decided that changes in the DNOs' processes and behaviour were needed to ensure a level playing field in the provision of Non-Contestable Connection Services to third parties, such as licensed IDNOs and accredited ICPs, who compete with DNOs' vertically integrated firms (such as SSE and SEPD) to provide connections to the distribution network.

New standard licence condition and code of practice to enforce competition in electricity distribution connections

- 6.4. In October 2015, Ofgem introduced Standard Licence Condition ("**SLC**") 52 ("**SLC 52**") that in turn introduced a Competition in Connections Code of Practice ("**CiCCoP**") into the electricity distribution licence.¹⁰ SLC 52 made it a requirement for DNOs to facilitate competition in the electricity distribution connections market and abide by the CiCCoP. The purpose of the CiCCoP is to create a level playing field in the connections market by:
 - specifying how DNOs must provide input services to its competitors in the connections market,
 - reducing the extent to which competitors depend on DNOs for the Non-contestable Connection Services for new connections. This is done, for example, by requiring the introduction of a new process and criteria in the

⁹https://www.ofgem.gov.uk/sites/default/files/docs/2015/01/connections_competition_review_findings_2.pdf

¹⁰ <https://www.ofgem.gov.uk/publications/competition-connections-modification-standard-licence-conditions-electricity-distribution-licence>

CiCCoP that enables ICPs to determine a Point of Connection rather than relying on the incumbent DNO for this information.

- ensuring that DNOs provide Non-contestable Connection Services on an equivalent basis to both its competitors and its own connection business, and
- ensuring there is greater harmonisation in the provision of input services across all DNOs.

6.5. The CiCCOP¹¹ includes arrangements to make changes, so that it can evolve over time. An industry panel, comprising DNOs, IDNOs and ICPs, oversees modifications to the CiCCoP, which can be proposed by interested parties.

6.6. Since 2015, we have approved six modifications to the CiCCoP. Two of these modifications introduced processes to allow ICPs to undertake connection activities that traditionally have only been undertaken by the DNOs (i.e. self-determination of the point of connection and self-approval of connection designs).

Incentive on Connections Engagement

6.7. We have also introduced the Incentive on Connections Engagement (“**ICE**”) from the start of RIIO-ED1 distribution network price controls in 2015. The purpose of the ICE is to encourage DNOs to provide a good service to all large customers that are seeking a connection. The ICE works by requiring DNOs to submit evidence each year to us demonstrating that they have engaged effectively with connection customers to develop and deliver plans that improve their service. This evidence is provided in two parts:

- a “looking back” report on their activities during the previous year, demonstrating how they have met the needs of large connection customers.
- a “looking forward” plan for the coming year describing the activities they plan to undertake.

6.8. Each year, we consult on the DNOs’ ICE submissions and ask for views on how well the DNOs have performed against their plans over the past year. If we conclude that the DNOs have failed to engage sufficiently with their large connection customers, we can issue a financial penalty. We have not issued a penalty under the ICE since it was introduced.

6.9. In March 2022, we published a consultation on the findings of an updated review of our previous review in competition in the electricity distribution connections market¹² (the “**2022 Connections Review**”) with the aim to collect new evidence and inform our previously introduced policies. We noted in

¹¹ We approved the CiCCoP developed by DNOs in June 2015. For more information on the CiCCoP please see <http://www.connectionscode.org.uk/>

¹² [Consultation on our review of competition in the electricity distribution connections market | Ofgem](#)

that consultation¹³ that we had found for each DNO that there has been an improvement in the number of relevant market sectors showing an effective level of competition, since SLC 52 and CiCCoP were introduced.

Competition in the electricity distribution connections market

- 6.10. The primary aim of the 2022 Connections Review was to identify in which market segments there is effective competition and where that is not the case. In doing so, we said this would inform our decision on how we apply incentives to further enable competition and improve customer service in the RIIO-ED2 price control.¹⁴
- 6.11. In the 2022 Connections Review, we considered the level of third party activity in relevant market segments (“**RMS**”) within the scope of the review. We also assessed licensees’ compliance with a “**Legal Requirements Test**”. The Legal Requirements Test is described in Charge Restriction Condition 2K Margins on licensee’s Connection Activities (CRC 2K) of the electricity distribution licence and is a five-strand assessment of each licensee’s compliance¹⁵ in respect of the making of connections to its distribution system with the relevant connections-related licence conditions and the Competition Act 1998.
- 6.12. Our minded-to consultation confirmed that there had been no enforced breaches against any of the DNOs in any of the five strands of the Legal Requirements Test for the regulatory years in which we assessed data. On this basis, we concluded that all DNOs, including SSE, therefore passed the Legal Requirements Test.
- 6.13. SSE put forward data for seven RMSs as part of the competition review.¹⁶ Our minded-to position was that four out of seven RMSs passed the competition review. The fact that three RMSs did not pass the test does not mean that we had concerns in the remaining three RMSs, but that the current level of competition we observed in those RMSs had not yet reached a level where Ofgem would be satisfied to entirely remove price control incentives. We published our final decision on the 2022 Connections Review on 24 August 2022. Our final decision confirmed our minded-to position and it can be found on our website.¹⁷

¹³ <https://www.ofgem.gov.uk/publications/consultation-our-review-competition-electricity-distribution-connections-market>

¹⁴ Price controls are a method of setting the amount of money (allowance) that can be earned by the network operators such as the DNOs over the length of a price control period. RIIO stands for Revenue = Incentives + Innovation + Outputs. The current RIIO-ED1 price control runs from 1 April 2015 to 31 March 2023. RIIO-ED2 commences from 1 April 2023.

¹⁵ The legal requirements set out in the test are for the DNO to have no enforced breaches, in the given regulatory year, for any of (a) Standard Licence Condition (SLC) 12.6(c) (Requirement to offer terms for use of system and connection), (b) SLC 15 (Standards for the provision of Non-Contestable Connection Services), (c) SLC 15A (Connections policy and connection performance), (d) SLC 19 (Prohibition of discrimination under Chapters 4 and 5), and (e) The Competition Act 1998.

¹⁶ SSEN did not submit data for two RMS as these passed a previous Competition Test held between 2012 and 2014.

¹⁷ [Decision on the review of competition in the electricity distribution connections market | Ofgem](#)

Other considerations

- 6.14. For completeness, we should note that SSE has indicated that, once released from the Commitments, it intends to reintegrate its contestable and non-contestable connections businesses in order to provide a combined design service to customers, which, as SSE said, will offer a better customer experience without prejudice to competition.

7. Consideration of whether to release SSE from the Commitments

- 7.1. Our competition concerns, which led us to accept the Commitments, related to SSE applying non-equivalent costs and conditions to third parties compared to its own connections business. Our minded to position is that the changes that have occurred to the regulatory landscape in this area, the evidence of how the market is operating and the way that SSE has embedded many of the principles enshrined in the Commitments into its business mean that we have reasonable grounds for believing that the competition concerns that led to the Commitments no longer arise.
- 7.2. As set out in SSE's request to be released from the Commitments and in section 6 it is demonstrated how the regulatory landscape has changed and those changes have now been embedded into SSE's processes. We note that SSE is under the obligations of SLC 52 and it must comply with the CiCCoP and facilitate competition in the local connections market. This includes providing input services on an equivalent basis to all connection parties that operate in the local connections markets, and not distorting, preventing or restricting competition in the these markets in favour of its own downstream business. Ofgem has powers to monitor licensees' compliance with the CiCCOP, in the same way in which it can monitor compliance with other licence conditions and if needed take enforcement action.
- 7.3. ICE also provides an incentive for all DNOs, including SSE, to provide a good service to all large customers that are seeking a connection. The associated reporting requirements ensure transparency in this area. If we conclude that the DNOs have failed to engage sufficiently with their large connection customers, we can issue a financial penalty.
- 7.4. Whilst SSE intends to reintegrate its contestable and non-contestable connections businesses, it told us that it will continue to check the equivalence of quotes for non-contestable DNO services. We consider that these checks, alongside the requirements of CiCCOP as set out in paragraph 7.2 provides a suitable framework to ensure that all licensees, including SSE, are suitably incentivised and required by the processes introduced since the commencement of the Commitments, despite the re-integration of the non-contestable and contestable markets.

Conclusion

- 7.5. Based on the changes that have occurred to the regulatory landscape in this area, the evidence of how the market is operating and SSE's reasons with regard to how the Commitments have permanently changed its processes, we have reasonable grounds for believing that the competition concerns that led to the Commitments no longer arise. On that basis, we now propose that SSE should be released from their commitments.

8. What are we consulting on?

- 8.1. As SSE has complied with the Commitments during the 5-year period, the evidence from our 2022 Connections Review and the regulatory regime in place, we now propose that SSE should be released from their commitments.
- 8.2. We reiterate in short the reasons for this proposal:
- 8.3. Having undertaken our review, we have reasonable grounds for believing that the competition concerns in the electricity connections market in the area covered by SSE's electricity distribution network in the south of England, that led to the Commitments, no longer arise.
- 8.4. We are satisfied that SSE has remained in compliance with its commitments during the 5-year-period.
- 8.5. Before reaching our final decision on whether to release SSE from the Commitments, we are consulting in order to give stakeholders the opportunity to comment on this proposal.

9. Consultation questions

- 9.1. We are seeking stakeholders' views in relation to the 2 questions below. We also welcome other general views related to this consultation, and request that respondents provide as much explanation and supporting evidence as is necessary for us to understand their responses.

Questions

Question 1: Do you have any views on whether the identified competition concerns in the investigation into SSE (2014-2016) are likely to recur if we release SSE from the Commitments? In this context, do you have any concerns in particular that releasing SSE from Commitment 2 will cause the competition concerns to recur, noting that SSE intends to reintegrate its contestable and non-contestable businesses if released from Commitments?

Question 2: Do you have any other concerns/comments about Ofgem's proposal to release SSE from the Commitments?

10. How to respond

- 10.1. We want to hear from anyone interested in this consultation. Please send your response to the person named on this document's front page by 5pm of the closing date of 26 October 2022
- 10.2. We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 10.3. We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, data and confidentiality

- 10.4. You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 10.5. If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.
- 10.6. If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.
- 10.7. If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

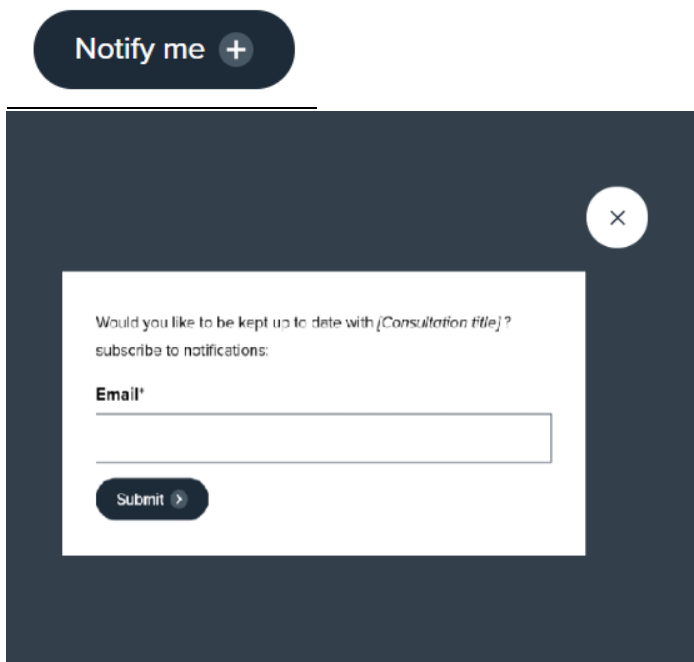
- 10.8. We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:
 1. Do you have any comments about the overall process of this consultation?
 2. Do you have any comments about its tone and content?
 3. Was it easy to read and understand? Or could it have been better written?

- 4. Were its conclusions balanced?
- 5. Did it make reasoned recommendations for improvement?
- 6. Any further comments?

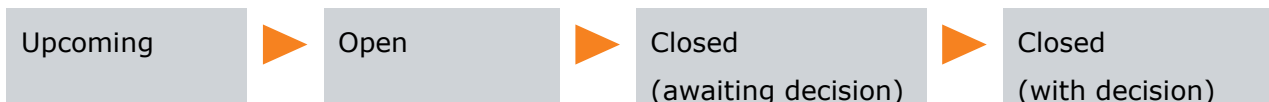
Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

- 10.9. You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. [Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations).



Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:



Appendix 1 - Commitments given by SSE PLC pursuant to section 31A of the Competition Act 1998

SSE plc gives to the Gas and Electricity Markets Authority (GEMA), without in any way acknowledging or accepting that it has infringed applicable competition law, the following commitments (the Commitments) under section 31A(2) of the Competition Act 1998 in order to meet GEMA's concerns as set out inter alia in GEMA's Statement of Competition Concerns dated 25 April 2016 and in its notice of its intention to accept binding commitments dated 22 June 2016.

Interpretation

The Interpretation Act 1978 shall apply to these Commitments as it does to Acts of Parliament. In these Commitments the word "including" shall mean including without limitation or prejudice to the generality of any description, definition, term or phrase preceding that word and the word "include" and its derivatives shall be construed accordingly. For the purpose of these Commitments, the following terms shall have the meaning ascribed to them below.

- (a) All Works Quotation means a Quotation provided to a Developer which encompasses both Contestable Connection Services and Non-Contestable Connection Services.
- (b) Broad Equivalence or Broadly Equivalent means equivalence to the maximum extent possible when taking into account all relevant circumstances including timing, connection type and technical specifications.
- (c) Charging Methodology means the Statement of Methodology and Charges for Connection to SEPD's and SHEPD's Distribution Networks (last amended on 26 April 2016)
- (d) Code of Practice means the Competition in Connections Code of Practice produced in accordance with condition 52 of the Licence.
- (e) Connection means a physical connection to SEPD's or SHEPD's Distribution Network for both Metered and Unmetered supply.
- (f) Connection Services means Contestable Connection Services and Non-Contestable Connection Services.
- (g) Connection Voltage means level of voltage of the POC required to connect the development, i.e., either low voltage (LV), high voltage (HV) or extra high voltage (EHV).
- (h) Contestable Connection Services means those services which are necessary for the provision of a Connection and, in accordance with the Licence, can be provided by the licensee or by an ICP or an IDNO
- (i) Contestable Connections Team means those staff responsible for undertaking the Contestable Connection Services component of Quotations, as further described in Commitment 2.
- (j) Developer means the person or company responsible for the construction development which requires connection to the relevant Distribution Network, including its agents.

- (k) Distribution Network means an electricity distribution system (within the meaning of section 4(4) of the Electricity Act 1989).
- (l) DNO means Distribution Network Operator (within the meaning of sections 6(1)(c) and (9) of the Electricity Act 1989).
- (m) Holding Company shall be understood as defined in section 1159 of the Companies Act 2006.
- (n) ICP means an accredited independent connections provider registered with the Lloyd's Register, including its agents.
- (o) IDNO means an Independent Distribution Network Operator licensed by GEMA, including its agents.
- (p) Implementation Date means 6 months after acceptance of the Commitments by GEMA.
- (q) Licence means the electricity distribution licences issued by GEMA to SEPD and/or SHEPD under section 6(1)(c) of the Electricity Act 1989, in particular the standard conditions of the electricity distribution licence last amended on 30 October 2015.
- (r) Metered supply means a supply of electricity to premises measured by an electricity meter for the purposes of calculating the charges for that supply.
- (s) Minor Connections means single LV service demand connections and small project demand connections as defined in Regulation 2 of the Electricity (Connection Standards of Performance) Regulations 2015.
- (t) Non-Contestable Connection Services means those services which are necessary for the provision of a Connection and, in accordance with the Licence, cannot be provided by a person other than the licensee, as listed in paragraph 15.2 of Condition 15 of the standard conditions of the Licence.
- (u) Non-Contestable Connections Team means those staff responsible for undertaking the Non-Contestable Connection Services component of Quotations, as further described in Commitment 2.
- (v) Non-Contestable Costs means charges for Non-Contestable Connection Services in All Works Quotations or POC Quotations as identified in Appendix 2.
- (w) POC means a point of connection to SEPD's or SHEPD's Distribution Network.
- (x) POC Location means the physical location of the POC to SEPD's or SHEPD's Distribution Network.
- (y) POC Quotation means a Quotation provided to a Developer, an ICP or an IDNO which only encompasses Non-Contestable Connection Services.
- (z) Provisional Request means a request for Connection Services which does not meet the requirements of section 16A of the Electricity Act 1989 (as detailed by standard conditions 15 and 15A of the Licence), or a request for a budget estimate or a feasibility study.
- (aa) Quotation means information provided by SEPD and/or SHEPD in writing, following a Request for Quotation, and includes information relating to the POC, a statement of the charges that will apply in accordance with the Licence and the Charging Methodology, and

any other information reasonably requested by the applicant. For the avoidance of doubt, the term Quotation includes All Works Quotations and POC Quotations.

(bb) Relevant Legislation includes the Competition Act 1998 and the Electricity Act 1989.

(cc) Relevant Subsidiary means any Subsidiary of SSE that is active in the provision of Quotations.

(dd) Request for Quotation means an enquiry from a Developer, an ICP or an IDNO addressed to SEPD and/or SHEPD which meets the requirements of section 16A of the Electricity Act 1989 (as detailed by Conditions 15 and 15A of the standard conditions of the Licence). For the avoidance of doubt, this does not include Provisional Requests.

(ee) Review means GEMA considering whether there are changes of circumstances relevant to these Commitments such that they should be released or varied to remove aspects of the Commitments that GEMA no longer considers necessary or appropriate. (ff) SEPD means Southern Electric Power Distribution plc and any Subsidiary of SSE which succeeds Southern Electric Power Distribution Plc as the Licence holder.

(gg) SHEPD means Scottish Hydro Electric Power Distribution plc and any Subsidiary of SSE which succeeds Scottish Hydro Electric Power Distribution Plc as the Licence holder.

(hh) Spot Check means a visit by the external independent auditor provided for in these Commitments to an SEPD or SHEPD site where Connection Services are provided for the purpose specified in Commitment 4, paragraph (d) of these Commitments. To conduct the Spot Check, the auditor will:

- with the exception of Minor Connections, request and review a report prepared by SSEPD which lists Quotations which have been given where differences in Non-Contestable Costs, POC Location and/or Connection Voltage have been identified between the Non-Contestable Connection Services element of any All Works Quotations and any POC Quotations for the same development. The report should include all such Quotations issued since the date of the last Spot Check or annual report of the auditor (whichever is more recent)
- with the exception of Minor Connections, review a sample, but no less than 1% of such Quotations in order to determine whether the reasons for those differences have been recorded properly and in such a way that the auditor understands the basis for them; and (ii) assess whether the differences are justified; and
- in respect of Minor Connections, request and review a report prepared by SSEPD, in order to determine SSE's compliance with the Commitments as detailed in Commitment 2, paragraph (c).

(ii) SSE means SSE plc. For the avoidance of doubt, all obligations incumbent upon SSE in these Commitments are deemed to also bind SSEPD, SEPD and SHEPD. SSE shall procure that each Relevant Subsidiary shall comply, at all times, with the Commitments. (jj) SSEPD means Scottish and Southern Energy Power Distribution Limited, the Holding Company of SEPD and SHEPD and any Subsidiary of SSE as successor Holding Company of SEPD and/or SHEPD.

(kk) Subsidiary shall be understood as defined in section 1159 of the Companies Act 2006.

(II) Unmetered supply means a supply of electricity to premises that is not being measured by an electricity meter for the purposes of calculating the charges for that supply.

Commencement and Duration

Having been signed by SSE, these Commitments shall take effect from the Implementation Date and will be subject to Review following a period of 5 years after the Implementation Date. Nothing in this provision will prevent SSE from requesting an amendment to, or early termination of, the Commitments (or requesting new commitments to substitute for the Commitments) at any point in time in light of, for example, changed market circumstances or legislative requirements. Both GEMA and SSE recognise that changes planned or under way within the electricity connections sector may have relevance to the Commitments, in particular with regards to the implementation of the Code of Practice for DNOs. As and when appropriate, SSE and GEMA will meet to discuss whether the Commitments should be amended, terminated or replaced by new commitments in light of such sector changes.

Relationship between the Licence and the Commitments

The specific actions contained within the Commitments supplement and are in addition to the obligations contained within the Licence and the Electricity Act 1989 and are intended to address the competition concerns raised.

COMMITMENT 1: BROAD EQUIVALENCE OF QUOTATIONS WITH RESPECT TO NON-CONTESTABLE COSTS, POC LOCATION AND/OR CONNECTION VOLTAGE

Principle

Without prejudice to its obligations under the Licence and Electricity Act 1989, SSE will take the following actions to ensure a broad equivalence of Quotations with respect to Non-Contestable Costs, POC Location and Connection Voltage. Specific actions In particular, and in order to facilitate that broad equivalence of Quotations, SSE will: (a) ensure that All Works Quotations and POC Quotations provided in response to equivalent Requests for Quotation for the same development are broadly equivalent in respect of each of: i. Non-Contestable Costs; ii. POC Location; and iii. Connection Voltage, to the maximum extent possible taking into account all relevant circumstances including timing, connection type and technical specifications concerned; and (b) fully implement the provisions of Commitments 2, 3 and 4.

COMMITMENT 2: SSE'S INTERNAL STRUCTURE AND PROCESSES TO FACILITATE FUNCTIONAL SEPARATION

Principle

Without prejudice to its obligations under the Licence and Electricity Act 1989, SSE will implement a new operating model based on functional separation and the introduction of policies and processes to support this. These are designed to further ensure that the provision of Non-Contestable Connection Services is not structured in such a way that causes undue preference to, or unduly discriminates against, ICPs or IDNOs, with respect to NonContestable Costs, POC Location and Connection Voltage. Specific actions In particular and in order to facilitate the implementation of a new operating model based on functional separation, SSE will: (a) adopt a new internal operational structure (diagram included in Appendix 3 for illustrative purposes only), which provides for two distinct and

separately staffed functions, namely the Non-Contestable Connections Team and the Contestable Connections Team. These functions will have the following roles and responsibilities:

- i. the Contestable Connections Team will operate as the main interface with Developers and/or their agents in relation to All Works Quotations;
- ii. the Contestable Connections Team will respond to Requests for Quotation 34 from Developers in accordance with the timescales and standards set out in the Licence, SSE's public policies and procedures and in these Commitments;
- iii. in order to respond to Requests for Quotation, the Contestable Connections Team will engage with the Non-Contestable Connections Team in relation to Non-Contestable Connection Services;
- iv. the Non-Contestable Connections Team will operate as the main interface with the Contestable Connections Team and with ICPs or IDNOs in relation to Non-Contestable Connection Services;
- v. the Non-Contestable Connections Team will be responsible for assessing the capacity of the network, identifying the infrastructure requirements for the proposed development, calculating the Non-Contestable Costs to be charged, selecting the POC Location to be proposed and deciding on the appropriate Connection Voltage to be offered in circumstances where these services are being delivered by SEPD or SHEPD
- vi. where necessary, the Non-Contestable Connections Team will interact with, and request services and obtain information from, other departments within SSE; vii. the Non-Contestable Connections Team will respond to Requests for Quotation in respect of Non-Contestable Connection Services, regardless of whether those requests come from the Contestable Connections Team or from ICPs or IDNOs, in accordance with the timescales and standards set out in the Licence, SSE's public policies and procedures and in these Commitments; and
- vii. the internal procedures relating to the activities of the Non-Contestable Connections Team and the Contestable Connections Team will reflect the timescales and standards set out in the Licence, SSE's public policies and procedures and in these Commitments.

(b) amend and update its external and internal policies, procedures and associated documents and forms to reflect the revised structure and in a way which is consistent with the principles set out in (a) above. This new operating model based on functional separation (together with the processes outlined in Commitment 3 below) will not apply to Minor Connections. However, for the avoidance of doubt, SSE will:-

(c) adopt specific policies and procedures for Minor Connections to ensure that the Contestable Connections Team providing any Minor Connection Quotation will have no more relevant information regarding SEPD's or SHEPD's Distribution Network than the information made available to any ICP or IDNO. These policies and procedures will provide for the following process (diagram included in Appendix for illustrative purposes only):

(i) the Contestable Connections Team will not have access to any relevant network information in addition to that which is publicly available to all ICPs and IDNOs to determine the POC and Non-Contestable Connection Services;

(ii) any network information required that is not in the public domain, will be provided by the Non-Contestable Connections Team to the Contestable Connections Teams, ICPs and IDNOs on a broadly equivalent basis;

(iii) the Contestable Connections Team will undertake Non-Contestable Connection Services and Contestable Connection Services and issue the Quotation to the customer; and

(iv) for the avoidance of doubt, in relation to Minor Connections, the obligations set out in Commitment 4 shall apply to the process as detailed in sub-paragraphs (i), (ii) and (iii) of this paragraph (c).

COMMITMENT 3: SYSTEMS, PROCESSES AND TRAINING TO FACILITATE THE DELIVERY OF A TRANSPARENT COST MODEL, AUTOMATED QUOTATION SYSTEM AND COMPLIANCE WITH COMPETITION LAW

Principle

SSE will revise its external and internal policies and procedures in the context of Connection Services to ensure that they reflect the Commitments, in particular the obligation not to cause undue preference to or undue discrimination against ICPs or IDNOs in respect of Non-Contestable Costs, POC Location and/or Connection Voltage, and are compliant with the obligations contained in Relevant Legislation and the Licence. Specific actions In particular, SSE will:

(a) amend and update its external and internal policy documents and relevant forms to reflect the Commitments;

(b) review the existing external and internal policy documents relating to the provision of Non-Contestable Connection Services in order to produce materials and procedures which are designed to: i. ensure equivalent treatment of broadly equivalent Requests for Quotation with respect to Non-Contestable Costs, POC Location and/or Connection Voltage; ii. ensure that there is no undue preference to or undue discrimination against ICPs or IDNOs with respect to Non-Contestable Costs, POC Location and/or Connection Voltage; and iii. remain compliant with Relevant Legislation and the Licence.

(c) record any differences between the Non-Contestable Connection Services element of All Works Quotations and POC Quotations for the same development, in relation to Non-Contestable Costs, POC Location and/or Connection Voltage, and the reasons for such differences in such a way that the external audit firm provided for in Commitment 4 is satisfied that it is able to understand those reasons;

(d) ensure that the cost information provided by SSE allows Developers to compare the Non-Contestable Connection Services element of any All Works Quotations and the POC Quotations for the same development. To achieve this, SSE will:

i. ensure that Quotation documents are clear and easily understood and allow the Non-Contestable Connection Services element of the All Works Quotations and POC Quotations for the same development to be compared through the provision of equivalent information in each one; and

ii. within 10 working days of any request, provide sufficient information to Developers, ICPs or IDNOs to explain any differences between the cost of the Non-Contestable

Connection Services element of any Quotations for the same development, to the extent this does not include information confidential to SSE or third parties.

(e) create a quotation system for Connection Services with enhanced automation, to ensure each Quotation is designed with the following features:

- i. Improved IT system which will identify any differences and will prevent the issuing of a Quotation until such time as the designer in the Non-Contestable Connections Team records the reasons for the differences between Quotations for the same development;
- ii. Improved auditability and clear processes for the capture and retention of information;
- iii. Increased accuracy and automation of site matching within a geographical area; iv. Ensuring separation of design and cost elements between designs for Contestable Connection Services and Non-Contestable Connection Services to drive consistency; and
- v. Automated quote archiving, access/reporting and document templates.

(f) create and deliver competition law training of an appropriate quality and standard. That training will be specifically targeted at compliance with competition rules applicable to Connection Services and will specifically outline and explain Ofgem's competition concerns and the content of these Commitments. The training will be mandatory for all staff (including senior managers) directly involved in the provision of Connection Services. In particular, SSE will deliver:

- i. mandatory training through the SSE group e-learning platform on competition law, the content of these Commitments, and compliance with them, for new joiners to teams involved in the provision of Connection Services within 4 weeks from the start of employment and mandatory training specifically targeted at competition rules applicable to Connection Services within six months of start of employment;
- ii. notwithstanding the Implementation Date, mandatory training of staff currently involved in the provision of Connection Services within two months of acceptance of Commitments by GEMA; and
- iii. mandatory annual refresher training for staff involved in the provision of Connection Services. SSE will ensure that such training is kept up-to-date.

COMMITMENT 4: REPORTING AND PROVISION OF INFORMATION

On SSE's behalf, SSEPD shall:

(a) provide written monitoring reports to GEMA: i. demonstrating the steps it has taken in complying with the Commitments; and ii. providing assurance of its ongoing compliance with the Commitments; The first of these monitoring reports will be provided on the day after the Implementation Date (confirming that all measures necessary to comply with the Commitments are fully in place). The second report will be provided 6 months after the Implementation Date with a subsequent report provided one year following the Implementation Date and then on an annual basis until such a time as GEMA agrees this reporting frequency can be reduced or the reporting requirements contained in these Commitments removed;

(b) provide GEMA with any supporting information and documents which GEMA reasonably requests in relation to, or in connection with, the Commitments (including, for example, the implementation of and/or compliance with these Commitments). Such requests for

information and documents will include a reasonable time limit for production and SSE will take all reasonable steps to meet those deadlines;

(c) ensure independent, third party assurance and audit of SSE's compliance with the Commitments by an external audit firm approved by GEMA and appointed by SSE prior to the Implementation Date. That assurance will be reported to the Board of SSEPD and those reports will also be annexed to the reports provided to GEMA. A summary of the auditor's conclusions will be included in SSE's compliance reports which are publicly available on SSE's website;

(d) the external audit firm will, subject to providing SSE with at least two weeks' notice in writing, undertake Spot Check procedures to satisfy itself that SSE is complying with the Commitments and, if required, make recommendations to SSE. These Spot Checks will be undertaken on two occasions annually following the first anniversary of the Implementation Date until such time as GEMA agrees the reporting frequency under (a) above can be reduced or the reporting requirements contained in these Commitments removed; and

(e) designate a member of its Senior Management Team, who is an employee of SSE and is a member of the Board of Directors of SSEPD, as the commitments compliance officer, who will have general responsibility for: ensuring compliance with the Commitments; preparing the monitoring reports; and reporting the monitoring reports to the Board of SSE such that the reports have the Board's assurance before their submission to GEMA.

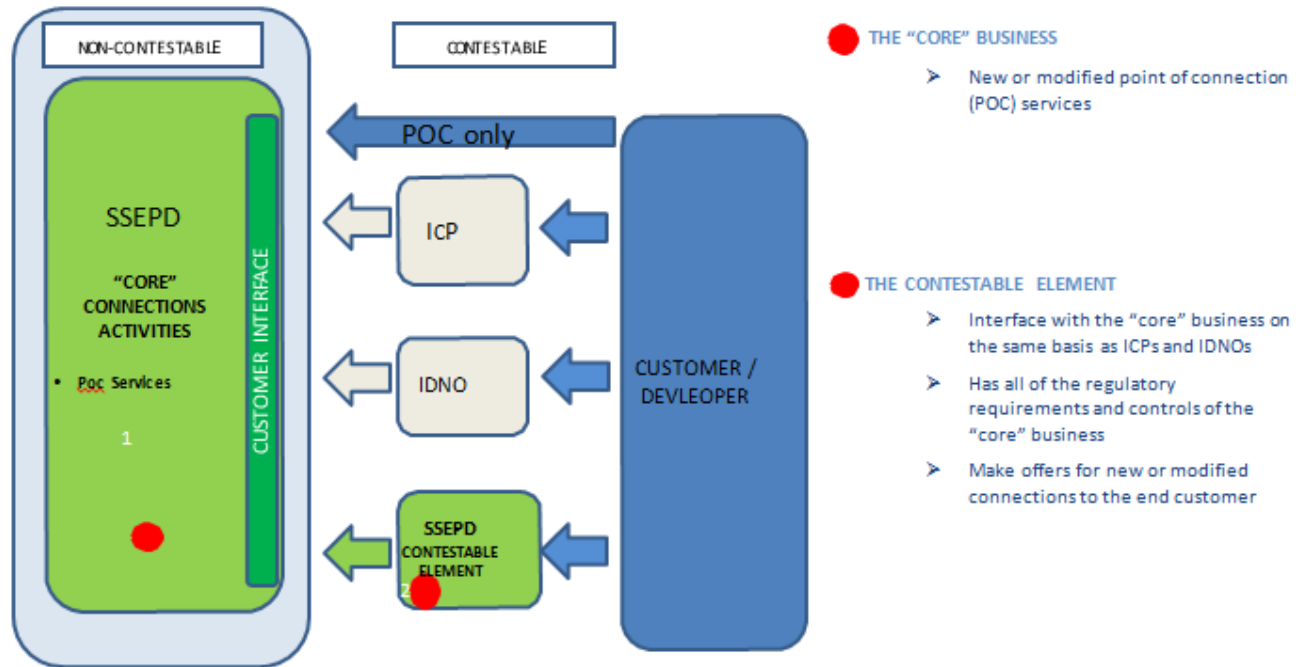
APPENDIX 2 - NON-CONTESTABLE COSTS

The Non-Contestable Costs are those identified in the table below:

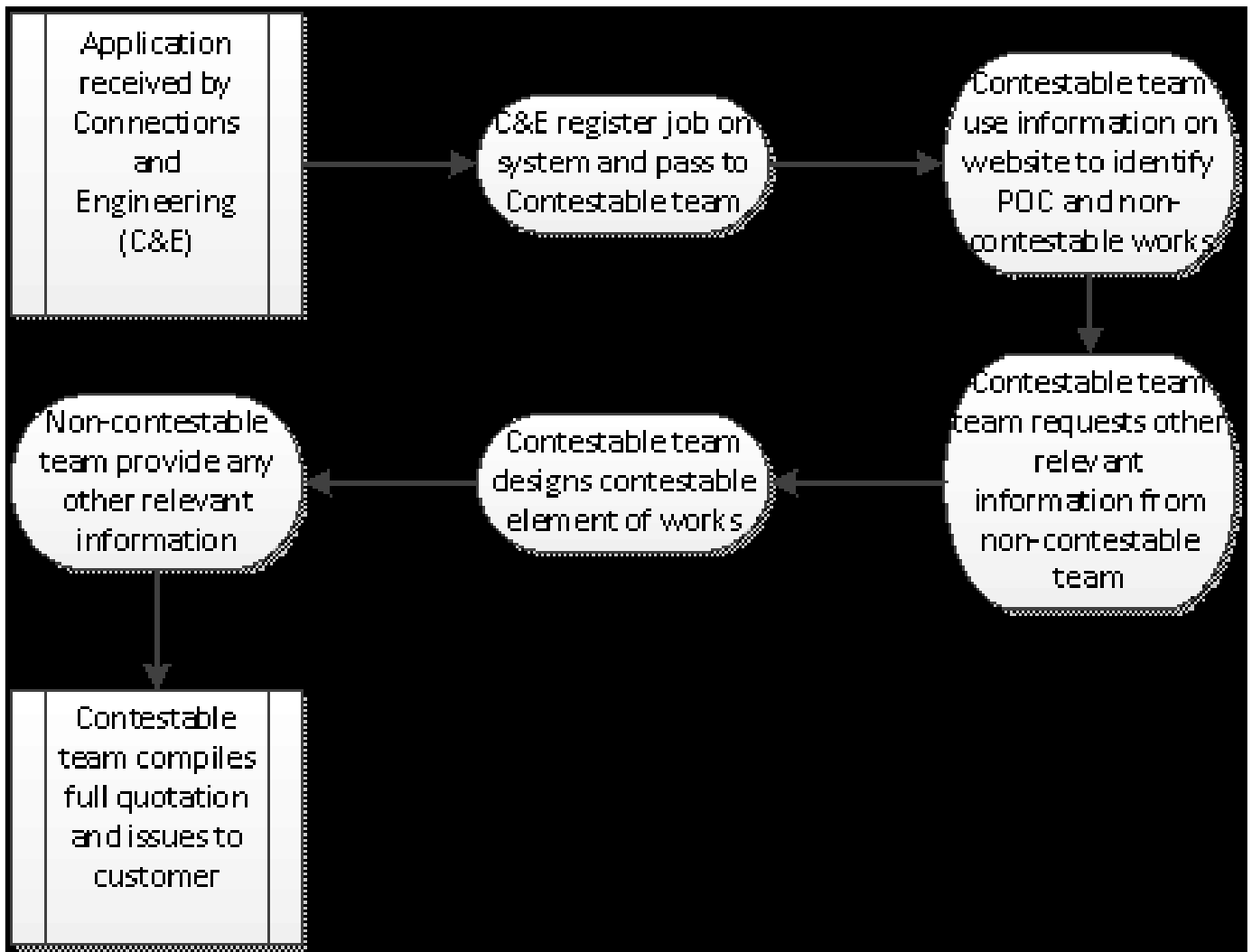
Name of charge	Brief explanation
Assessment and design	Charges associated with the identification of the most appropriate point on the existing distribution system for connection and the design of any extension assets and/or reinforcement.
Final connection to the network	Charges associated with carrying out the final connection on to the existing distribution system
Design approval	Charges associated with the approval of an extension asset design produced by an ICP or IDNO.
Inspection/ monitoring	Charges associated with inspecting and monitoring the construction of the extension asset by an ICP or IDNO.
Wayleaves/ easement	Charges associated with the administration of wayleave documentation.
Reinforcement costs	Costs associated with assets installed that add capacity to the existing shared use distribution system.
Costs under Electricity Connection Charges Regulations	Costs due as required under the Electricity (Connection Charges) Regulations 2002 (SI 2002/93) as amended from time to time.
Operation and maintenance charges	Charges associated with the operation, repair, maintenance and replacement of assets.

The names used herein are accurate at the time that these Commitments were entered into. The names of the Non-Contestable Costs, and the explanatory comments, may change from time to time.

Appendix 3 – New Operational Structure for SSE’s connection services function.



Appendix 4 - Policies and Procedures for Minor Connections



Appendix 5 - Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

3. With whom we will be sharing your personal data

(Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data then make this clear. Be a specific as possible.)

4. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for ***(be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. 'six months after the project is closed')***

5. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

6. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use "the Data you provide directly will be stored by Survey Monkey on their servers in the United

States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”.

7. Your personal data will not be used for any automated decision making.

8. Your personal data will be stored in a secure government IT system. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

9. More information For more information on how Ofgem processes your data, click on the link to our [“Ofgem privacy promise”](#).