



An Coimisiún
um Rialáil Fónais
**Commission for
Regulation of Utilities**



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Network Licence Spot Check Q4 2020

Information Paper

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Executive Summary

This Information Paper details the Commission for Regulation of Utilities (CRU) Spot Check of the energy network distribution system operator (DSO) licensees compliance with their Code of Practice on de-energisation and disconnection (as required under their respective Distribution System Operator licensees).

For the spot check both ESB Networks (ESBN) and Gas Networks Ireland (GNI) compliance with the procedures they have outlined in their Code of Practice was audited. The CRU requested evidence from the DSOs , including a number of process documents and specific details on all disconnections/de-energisations in relation to non-payment of account (NPA) that took place between the dates 03 – 09 August 2021.

The information was reviewed by the CRU and no findings of non-compliance were identified.

This paper provides an overview of the methodology used to conduct the Spot Check, the findings from it, and the next steps.

The CRU will continue to conduct regular spot checks on compliance by the various regulated entities in both energy and water with their regulatory requirements on a quarterly basis.

Public/ Customer Impact Statement

It is a function of the CRU to protect the public interest in energy. ESBN and GNI are the distribution system operators for electricity and gas respectively and are responsible for carrying out disconnection of consumers electricity or gas supply on receipt of a request from a consumer or a supplier.

In the case of non-payment of accounts, disconnection is considered an option of last resort for customers in long-term arrears. Suppliers have to go through a number of steps before they can request the disconnection of a customer for non payment of account. ESBN and GNI as the DSOs are responsible for carrying out a disconnection at a supplier's request. Disconnection is a serious action to be taken on customers with various implications which can be severe if the customer is vulnerable. It is therefore important that the appropriate processes, checks and safeguards are in place when implementing and carrying out a disconnection.

CRU conducted this spot to satisfy itself that both ESBN and GNI are carrying out disconnections in compliance with their regulatory requirements (that include a number of consumer safeguards).

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Glossary of Terms and Abbreviations

Abbreviation or Term	Definition or Meaning
CRU	Commission for Regulation of Utilities
DAO	Distribution Asset Owner
DSO	Distribution System Operator
ESBN	ESB Networks
GNI	Gas Networks Ireland
MO	Market Operator
TAO	Transmission Asset Owner
TSO	Transmission System Operator

1. Introduction

1.1 The CRU

The CRU is Ireland's independent energy and water regulator. The CRU was established in 1999 and has a wide range of economic, customer protection, and safety responsibilities in energy and water. In its role as economic regulator of energy, the CRU's aim is to protect the interests of energy customers, maintain security of supply, and to promote competition covering the generation and supply of electricity and supply of natural gas. The CRU (in its 2019-2021 Strategic Plan¹) has committed to continue in strengthening its compliance and enforcement framework to ensure best regulatory practice in all areas of the organisation's remit. This is achieved whilst following the CRU's core values of integrity, professionalism, openness and accountability. Spot checks help ensure that regulated entities are compliant with the requirements of their licences.

The CRU in its role grants, monitors the performance of and enforces the following network licences;

- Transmission System Operator (TSO),
- Transmission Asset Owner (TAO),
- Distribution System Operator (DSO),
- Distribution Asset Owner (DAO)
- Market Operator (MO).

The licences specify the conditions that the licence holders must comply with. As part of its function, the CRU monitors the licence holder's compliance with such terms and conditions as are specified in their licence.

1.2 Network Licence Compliance Audit

This spot check focussed on energy networks compliance with their disconnection Code of Practice, as outlined in the relevant licences. As such this spot check addressed actions undertaken by GNI (as the licenced gas DSO) and ESNB (as the licenced electricity DSO). The following sections of this paper describe the methodology of the audit, the findings, and the next steps.

¹ CRU/19030a and CRU/19030b – CRU Strategic Plan 2019-2021

2. Methodology

2.1 Scope

The aim of this Spot Check was to ensure that energy network companies who are responsible for carrying out disconnections (ESBN and GNI for electricity and gas respectively) are in compliance with their disconnection code of practice, as required under their respective DSO licence. The disconnections under review do not relate to customer requested disconnections, disconnections for safety matters or temporary disconnection for maintenance.

A supplier requested disconnection for NPA is considered an option of last resort for customers in long-term arrears. Suppliers have to go through a number of steps before they can request the disconnection of a customer as outlined in the supplier handbook² and audited in the CRU Q3 2020 spot check³. ESBN and GNI as the DSOs are responsible for carrying out a disconnection at a supplier's request. Disconnection of a customer from their energy supply is a very significant step which can have serious implications for customers, especially for those customers that may be vulnerable. It is therefore important that the appropriate processes, checks and safeguards are in place when implementing and carrying out a disconnection.

ESBN, under its DSO licence condition 15, is required to prepare and submit to the Commission for approval a disconnection code of practice and obligated to comply with the procedures outlined in the code (as per condition 16)

Condition 15 Customer Service Code and Complaints Handling Procedure

1(c) Disconnection Code of Practice (including any provisions to assist Vulnerable Customers in avoiding disconnection as set out by the Commission from time to time).

Under the terms of the Distribution System Operator (DSO) licence, ESB Networks is required to prepare a De-energisation Code of Practice and submit it to the Commission for approval.

GNI, under its DSO licence condition 21, is required to prepare and submit to the Commission for approval a disconnection code of practice and obligated to comply with the procedures outlined in the code (as per condition 22)

² CRU19138-Electricity-and-Gas-Suppliers-Handbook-2019-

³ CRU21XXX Ref

Condition 21: Customer service code, complaints handling procedure and disconnection code of practice.

1(c) a disconnection code of practice (which will detail the policy and procedures for the disconnection of premises from the distribution system).

Both Codes of Practice cover cases of disconnection/ de-energisation where:

- The premises to be disconnected/de-energised is a business or domestic dwelling.
- The disconnection is not at the request of the customer.

The codes do not cover cases of disconnection/ de-energisation where the customer requests the disconnection/ de-energisation, it is a matter of safety or it is a temporary disconnection/ de-energisation e.g. for maintenance, planned outages etc.

2.2 Approach

Both ESBNs and GNIs De-energisation and Disconnection Code of Practice (respectively) were analysed. For the purposed of the spot check the DSOs compliance with the procedures they have outlined in their Code of Practice were audited. For both DSOs the specific requirements fall under four aspects of the disconnection/ de-energisation process:

- Notice of disconnection/ de-energisation
- Validation of Request
- Informing the customer
- Handling of disconnection/ de-energisation

To assess the DSOs compliance with their procedure, the DSOs were requested to submit evidence to display their compliance with their disconnection/ de-energisation Code of Practice. This included a number of process documents and specific details on all disconnections/de-energisations that took place between the dates 03 – 09 August 2021.

CRU took a random sample of 10 disconnections completed by both ESNB and GNI in the relevant period and this material was reviewed in line with the checklists included in Annexes 1 and 2.

The information was reviewed by the CRU to ascertain the compliance of ESNB and GNI with their DSO licence condition requiring compliance with the procedures outlined in their disconnection/ de-energisation Code of Practice, for the period of the spot check.

3. Findings

This spot check did not identify any issues of compliance with regard to the procedures employed by either ESBN or GNI when completing disconnections. The random samples were reviewed for quantitative evidence of compliance with scheduling requirements i.e. dates of notifications and lead times for actual site visits. The material was also reviewed qualitative compliance by ensuring all the necessary information was included in the notifications etc.

ESBN				
Sample	Notice of disconnection/ de-energisation	Validation of Request	Informing the customer	Handling of disconnection/ de-energisation
1.	✓	✓	✓	✓
2.	✓	✓	✓	✓
3.	✓	✓	✓	✓
4.	✓	✓	✓	✓
5.	✓	✓	✓	✓
6.	✓	✓	✓	✓
7.	✓	✓	✓	✓
8.	✓	✓	✓	✓
9.	✓	✓	✓	✓
10.	✓	✓	✓	✓
GNI				
Sample	Notice of disconnection/ de-energisation	Validation of Request	Informing the customer	Handling of disconnection/ de-energisation
1.	✓	✓	✓	✓
2.	✓	✓	✓	✓
3.	✓	✓	✓	✓
4.	✓	✓	✓	✓
5.	✓	✓	✓	✓
6.	✓	✓	✓	✓
7.	✓	✓	✓	✓
8.	✓	✓	✓	✓
9.	✓	✓	✓	✓
10.	✓	✓	✓	✓

4. Remedial Actions & Next Steps

The CRU is satisfied that within the period and scope of this spot check energy network operators (ESBN and GNI) conducted all disconnections in compliance with their licence condition requirements, adhering to their disconnection/ de-energisation Code of Practice in the period under review.

The CRU will continue to conduct quarterly spot checks on different aspects of the obligations on regulated entities in water and energy to ensure ongoing compliance.

Annex 1 – ESNB De-energisation Code of Practice Procedures Checklist

Procedure
Notice of Disconnection
1)Elec Supplier request; or 2)Breach of Connection Agreement or Distribution Code -notices of breach issued as per Connection Agreement. Where breach lead to de-energisation, notice issued at least two days in advance
Validation Disconnection Request
Supplier Request – supplier registered for connection point (via Meter Registration Service)
Breach of Connection Agreement or Distribution Code – DSO take all reasonable steps to ensure disconnection for valid reason
Informing the customer
Caller provides customer with: <ol style="list-style-type: none"> 1. Reason for de-energisation 2. Cases where caller not authorised to discuss reason for de-energisation (e.g. de-energisation at request of supplier) notice will include contact number of people authorised to discuss reason
Where de-energisation takes place, notice left with following info: <ol style="list-style-type: none"> 1. Fact that de-energisation taken place 2. Reason for de-energisation 3. Contact number for Supplier 4. In cases of non-payment an info leaflet containing suppliers’ details and details of HELP agencies in several languages
Scheduling
Scheduling of call: No de-energisation calls carried out on Friday, weekends, eve of bank holidays or on bank holidays. For any period, de-energisation will not take place, advance notice provided to CRU & Suppliers
Vulnerable Customers: Domestic situation where customer indicates sickness or bereavement caller should withdraw. In exceptional circumstances were customer especially vulnerable for other reasons caller has discretion to withdraw. Where the caller has withdrawn the supplier will be informed. It will be up to the supplier to log a further call following their contacting the customer concerned. Any customer has the option of contacting person authorised to discuss reasons for de-energisation. Caller may be instructed to withdraw following this.
No adult present: Domestic access provided, but no adult present (only children in the house), caller will withdraw but leave a notice. Will carry out second call within next 3 working days
Continuous processes and potential of serious financial loss: Business situation customer at time of call has plant engaged in commercial process and de-energisation would cause serious financial loss, caller will immediately give notice of de-energisation for next suitable time, but no more than the end of the next working day. The caller will return ay the notified time and de-energise
Customers access to information: de-energisation relates to functions of ESB as DSO, caller will generally be authorised to discuss reason for de-energisation. In all other cases de-energisation notice given by caller to customer provided contact number of person authorised to discuss reason for de-energisation: <ol style="list-style-type: none"> 1. The onus of then initiating contact lies with customer. The caller allows reasonable time for contact to take place (say 10mins) before de-energising 2. Where contact with authorised offer made by customer, authorised officer may, on phone instruct caller to withdraw 3. If customer gets no response from contact number and no contact made with authorised officer, caller will withdraw

No Access: 1. Unoccupied at time of call, connection is to be de-energised outside (where reasonably possible) and notice left 2. Access denied. ESB will make no more than one further call in attempt to gain access or to disconnect outside were reasonably possible In all cases if de-energisation is not possible, a notice will be left
Offers of payment: If call at request of supplier caller cannot accept payment or agree arrangements to pay on suppliers' behalf
Change of Supplier: If after de-energisation customer requests immediate re-energisation as customer has another supplier, customer informed that a formal application of the new supplier must be made. Caller leaves connection point de-energised.
Purpose of call: No other business will be transacted with customer as part of de-energisation call
Re-energisation: Supplier should make appointment for re-energisation
Staff safety: Safety of staff making de-energisation call must be ensured at all times
Change of Legal Entity (COLE): Person at premises may indicate customer registered for MPRN has since departed and they wish to affect a COLE. Caller will allow customer (while they are present) to telephone registered supplier for the MPRN, the Supplier will instruct the caller to either withdraw or proceed.

Annex 2 – GNI Disconnection Code of Practice Procedures Checklist

Procedure
Notice of Disconnection
1)Gas Supplier request; or 2)Breach of Connection Agreement and/or GNI T&Cs – notices of breach issued as per Connection Agreement between GNI and the customer. Where breach lead to disconnection, notice issued at least two business days in advance
Validation Disconnection Request
Gas Supplier Request – supplier registered at Gas Point (GPRO)
Breach of Connection Agreement and/or GNI T&Cs – GNI take all reasonable steps to ensure disconnection for valid reason
Informing the customer
Crew arriving onsite, provide customer with reason for disconnection prior to carrying out the work e.g. requested by gas supplier
Notice left with customer noting: a) disconnection taken place, b) instigator of disconnection (e.g. gas supplier request) and c) contact telephone number (gas supplier)
Scheduling
Will not carry out disconnection on Friday, Saturday, Sunday, eve of Public Holiday or Public Holiday (excludes those carried out for safety reasons)
Cases of sickness or bereavement handled with sensitivity
Domestic access to premises required and no adult presence, no disconnection, crew will leave notice indicating will return to complete disconnection at future date
GNI act in accordance with their Vulnerable Customer Guide, if find customer vulnerable on arrival for disconnection, will withdraw from premises and notify supplier (Customer classified as vulnerable on Vulnerable Customer Register; gas supplier responsible for checking this before requesting disconnection)
Crew advise customer to contact gas supplier to discuss reason for disconnection. If disconnection relates to functions of GNI, crew authorised to discuss reason for disconnection.
No access (vacant premises or access denied) crew withdraw, notice left, and supplier informed
Failure to disconnect, crew withdraw, notice left and supplier
Crew cannot accept payment or agree to arrangements to pay on the gas supplier behalf
GNI can proceed with reconnection only when formally requested by supplier