



Electricity Connection Charges Regulations



Introduction

Harlaxton Energy Networks are an Independent Distribution Network Operator (IDNO) and adheres to UK legislation and licence conditions set by Ofgem. As an IDNO Harlaxton Energy Networks are connected upstream to the local Distribution Network Operator (DNO). The legislation relevant to customers requesting new or altered electrical connections includes section 16 of the Electricity Act 1989 and the Electricity (Connection Charges) Regulations (ECCR), also known as the ‘Second Comer’ regulations.

Both can be found at www.legislation.gov.uk

There are two versions of the ECCR – The Electricity (Connection Charges) Regulations 2002, and The Electricity (Connection Charges) Regulations 2017 which came into force on 6th April 2017. They will operate concurrently until ECCR 2002 expires on 5th April 2022.

For the purposes of this guidance, connection means any new connection or augmentation to alter the capacity or characteristics of an existing connection.

To help you to understand more about the Regulations and whether they apply to you, please see the information below.

The Electricity (Connections Charges) Regulations 2002

The ECCR apply to situations where a customer pays for a new or modified connection and a subsequent customer’s new or modified connection utilises the assets installed for the first customer. When this happens the second customer may be additionally charged a proportion of the costs paid by the first customer to reflect the second customer’s requested use. These additional charges may be refunded to the first customer or retained by the IDNO or DNO.

In summary a customer’s connection charge is made up of parts fully funded by the customer and / or part funded by the customer.

- Charges that are fully funded include new cables and substations installed for the customer.
- Charges that are part funded are normally the cost of reinforcing the network to allow for the customer’s connection (but note that reinforcement is not always required). The proportion of the charge that the first customer does not pay is funded by Harlaxton Energy Networks.

Now we can look at what happens when a subsequent customer (the second comer) connects to the assets either fully funded or part funded by the first customer

Where a subsequent connection utilises (connects to) assets fully funded by the first customer Harlaxton Energy Networks will take into account the maximum power required by both parties and calculate an additional charge that the second customer will pay for the use of those assets. Where appropriate this charge will be refunded to the first customer. Where the second customer’s connection utilises assets, part funded by the first customer Harlaxton Energy Networks will take into account the maximum power required by the second customer and calculate an additional charge that customer will pay for the use of those assets. This charge will be retained by Harlaxton Energy Networks.

ECCR Conditions

The ECCR apply to assets installed under section 16 where the IDNO/DNO has incurred the costs to install those assets for up to five years. Any connection made to the first customer’s connection after five years will not result in an ECCR charge. Refunds are made to Eligible Persons as defined by the ECCR which is normally the first customer but can transfer to other parties (see below).

ECCR charges that are recovered for use of part funded assets are retained by Harlaxton Energy Networks. There is a minimum level below which Harlaxton Energy Networks is not required to make a refund – this is £300 + administration costs.

Who is an Eligible Person?

The ECCR define who an Eligible Person is. This is normally the person who paid for the original connection if they are still owning or occupying the premises that the original connection was required for when the second customer wants their connection. However, an Eligible Person may also be someone who has had the rights to any refunds legally assigned to them, again they if are owning or occupying the premises that the original connection was required for when the second customer wants their connection. Finally, someone who has been asked to make an ECCR payment for their new or modified connection (i.e. the second comer) may also be Eligible if a third customer connects to the assets that were ‘shared’ between the first and second customer (and so on for the fourth, fifth etc). Again, if the second customer is still owning or occupying the premises that their connection was in relation to, when the third (or subsequent) customer wants their connection.

How will I know when the ECCR applies to my connection?

If you are the first customer and Harlaxton Energy Networks proposes to use assets installed within the previous five years for your connection, we will include a proportional charge in the second comer’s quotation. This may include a charge for assets fully funded by or part funded by you. Bear in mind that the second customer may not accept the quotation. If the second customer accepts their connection the ‘fully funded’ element of the ECCR charge is refunded to you when the second connection is commissioned, and if you are eligible for the refund. Harlaxton Energy Networks will write to you after the quotation is accepted to confirm your eligibility. Please note Harlaxton Energy Networks deducts administration expenses from all refunds made to the original customer.

If you are the second comer and Harlaxton Energy Networks proposes to use assets installed in the previous five years for a previous customer’s new or altered electrical connection, Harlaxton Energy Networks will include an additional ECCR charge in your quotation. This charge will be clearly identifiable on your quotation and is not an optional charge. You can request further details of the original asset costs and the information we can give you is limited to the following:

- The cost of the original connection
- The date of the original connection
- Costs paid by any other party to date

If, following your acceptance of the quotation, Harlaxton Energy Networks cannot confirm any other party is eligible for the refund we will refund you the ECCR charge. This may be before your works are completed.

What is the prescribed period?

The ECCR’s only apply when the subsequent connection if made within the prescribed period which begins from the date of the first connection, which after the 2017 regulations is ten years after the date the first connection was made.