

Network Connections Customer Engagement Policy



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FOREWORD

At NIE Networks, we've been connecting hospitals and homes, farms and factories, businesses and schools to the electricity network for decades. We have built up years of trust, with customers inviting us to spend time in the places they value the most, connecting them to the network.

The introduction of competition in connections will see us having to follow a new set of principles to ensure that we are compliant with competition law when engaging with our customers and promoting NIE Networks to the market.

This policy sets out those principles – please take the time to read it, to understand it and to put it into practice.

By working together to adhere to this policy, we can embrace the challenges and opportunities that the new open market will bring and continue putting outstanding customer engagement at the heart of everything we do.

Roger Henderson
Network Connections Director



INTRODUCTION

Competition in connections provides choice for customers in the delivery of new connections to the distribution network. For 'contestable' elements of connections, customers will have a choice whether to accept a quotation from NIE Networks or to engage an accredited Independent Connection Provider (ICP) to construct the connection.

The 'non-contestable' works can only be completed by NIE Networks, such as final connection to the network and work to the existing network. As of the 31 May 2016, the market has opened up to competition for distribution connections of 5MW or greater. It is anticipated that the market will open for all new distribution connections in 2018.

Further information on how contestability operates is provided in the Contestability Guidelines¹ issued jointly by NIE Networks and SONI as the Transmission System Operator.

POLICY STATEMENT

NIE Networks welcomes open and efficient competition in the connections market in which it operates.

NIE Networks is committed to delivering the non-contestable works as efficiently as possible, where a customer or ICP elects to carry out the contestable works. NIE Networks will also be responsible for delivering, as efficiently as possible, both the non-contestable works and the contestable works where the customer accepts a quote from NIE Networks for the complete works.

NIE Networks takes a zero tolerance approach to anti-competitive conduct and is committed to fostering a competitive market for the delivery of connections in Northern Ireland.

The purpose of this policy is to:

- (a) Set out how NIE Networks intends to ensure compliance with competition law
- (b) Communicate the key principles of customer engagement to our employees and agents acting on our behalf in the provision of connections.

1. www.nienetworks.co.uk/documents/Connections/Contestability-Guidelines-Version-2-2016-05-30



WHO IS COVERED BY THE POLICY?

This policy applies to all employees engaged by NIE Networks, and to consultants, contractors, trainees, seconded staff, agency staff, agents or any other person associated with NIE Networks, who are involved in the provision of connections.

WHAT IS COMPETITION LAW?

Competition Law (contained in the Competition Act 1998 and EU Treaty) has two primary objectives:

a) Regulating anti-competitive agreements (the “Chapter 1/ Art 101 Prohibition”)

b) Preventing “dominant” undertakings from abusing their position (the “Chapter II /Art 102 Prohibition”)

Competition law seeks to ensure that “dominant” or “monopoly” companies do not abuse their position in the market. NIE Networks is dominant in the provision of non-contestable works, as it is the only authorised provider of these works.

NIE Networks will be competing directly with ICPs for contestable works. Competition law ensures that NIE Networks does not take any action aimed at, or having the effect of, disadvantaging ICPs.

The Utility Regulator (UR) has concurrent powers to enforce competition law rules, and will be monitoring the behaviour of NIE Networks to ensure that it complies. NIE Networks takes its legal responsibilities very seriously. Any breach by NIE Networks would risk the following sanctions:

a. a fine of up to 10% of turnover

b. third parties affected by infringements may sue NIE Networks for damages.

WHAT CONDUCT AND BEHAVIOURS ARE NOT ACCEPTABLE?

NIE Networks emphasises that all relevant personnel covered by this policy must avoid situations that could lead to allegations of anti-competitive conduct.

Examples of anti-competitive behaviours that must be avoided include:

- Any action which may result in an ICP being excluded from the market. Examples of such exclusionary behaviour may include a refusal to provide information or services or co-operate with the ICP where the ICP is providing the contestable works (without an objective justification for doing so)
- “Margin squeeze” i.e. preventing an ICP from competing on a level footing on price with NIE Networks
- Engaging in predatory (below cost) pricing with the intention of excluding/marginalising a competitor
- Bundling/tying (i.e. requiring customers to take a contestable connection as a condition of providing non-contestable works)
- Otherwise discriminating against an ICP in favour of NIE Networks connections business
- Refusing to provide a service, or providing a poor service, to ICPs when carrying out non-contestable works
- Refusing to share information with ICPs which they need to carry out their functions: e.g. information on the timing of non-contestable works, charging structures or delays to services
- Calculating the costs of non-contestable works differently or applying different voltage levels or specifying a different point of connection depending upon whether NIE Networks or an ICP is providing the contestable works, except where there is reasonable objective justification for doing so given the circumstances of the connection
- Imposing charges which cannot be justified or are not transparent.



CUSTOMER ENGAGEMENT PRINCIPLES

NIE Networks takes pride in a reputation for excellent customer service. In delivering connections to our customers NIE Networks will continue to deliver excellent customer service, seek to become the connections provider of choice and ensure we facilitate a competitive market.

To deliver excellent customer service NIE Networks personnel shall:

- Deal with customers queries first time, every time: take personal responsibility, follow the problem right through to the end and work as a team to find a solution.
- Treat customers the way we would like to be treated
- Keep our customers informed and deliver against our promises
- Listen to our customers and be responsive to their needs
- Deal with our customers professionally and courteously
- Reduce customer effort
- Set customer expectations and then exceed them
- Become the customer's "trusted advisor" (the expert) in our field to build customer loyalty.

To facilitate competitive market NIE Networks personnel shall:

- Treat all customers including ICPs in a fair and transparent manner
- Avoid any comparator language that directly compares the NIE Networks Connections business to the business of an ICP
- Keep language simple, clear and unambiguous in our discussions about contestability with customers and ICPs
- Refrain from anti-competitive conduct and behaviours
- Avoid using our position as the supplier of the non-contestable works to gain an unfair advantage in the market for contestable works
- Ensure that ICPs have access to the same information and are subject to the same costs as NIE Networks would be if it was performing the contestable works
- Fairly and accurately determine any costs and charges that NIE Networks applies to the client/ICP for non-contestable works
- Manage information flows fairly to ensure that NIE Networks does not gain an unfair advantage.

ROLES AND RESPONSIBILITIES MATRIX

	Requirement	Responsibility
a	Brief this policy to all relevant persons referred to in 'Who is covered by the policy'	Connections Regulatory Compliance Manager and all Line Managers in NIE Networks
b	Read and comply with this policy	All those referred to in 'Who is covered by the policy'
c	Provide specific Competition Law training to all staff involved in the provision of connections where the market has opened to competition	Connections Regulatory Compliance Manager and all Line Managers in NIE Networks Connections
d	Ensure a, b and c are applied to all relevant new staff as required	Connections Regulatory Compliance Manager and all Line Managers in NIE Networks Connections

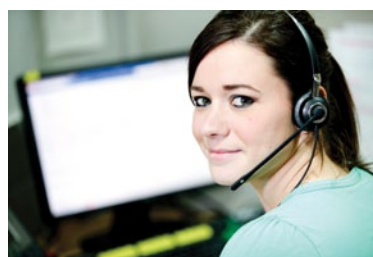
Any individual affected by this Policy who requires further advice in relation to its content should contact the Connections Regulatory Compliance Manager by telephone or email setting out the advice required.

This policy should be read in conjunction with, and does not supersede, the published NIE Networks/SONI Guidelines for Contestability¹ in Electricity Connections in Northern Ireland.

All those referred to in 'Who is covered by the policy' must read and comply with these guidelines.

Other related documents for reference include NIE Networks', Code of Ethics and Policy on Fraud and Related Unlawful Activities.

1. www.nienetworks.co.uk/documents/Connections/Contestability-Guidelines-Version-2-2016-05-30



POLICY VIOLATION

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. NIE Networks reserves its right to terminate its contractual relationship with other workers if they breach this policy.

POLICY REVIEW

This policy will be reviewed annually by the Connections Regulatory Compliance Manager. Any amendments will be circulated to all relevant staff.





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