

Electricity North West Limited

Compliance Report – December 2020

1 Introduction

Electricity North West Limited (ENWL) holds an Electricity Distribution Licence granted by the Office of Gas and Electricity Markets (Ofgem). This enables it to undertake electricity distribution services to customers within its Distribution Services Area, which is broadly the North West of England.

Under Standard Licence Condition 43 (SLC43) – Appointment of Compliance Officer, ENWL must appoint a competent person (known as the Compliance Officer) to facilitate compliance with the relevant requirements. The Licensee must produce and publish a report (the Compliance Report) about its compliance with the relevant requirements and its implementation of the practices, procedures and systems adopted in accordance with the Compliance Statement required under Standard Licence Condition 42 (SLC42)¹.

In producing this Compliance Report, the relevant requirements are: -

- SLC42 – Independence of Distribution Business and restricted use of confidential information
- Paragraph 9 of SLC4 – No abuse of the licensee’s special position, which prohibits cross-subsidy between the licensee’s Distribution Business and any other business of the licensee or an Affiliate or Related Undertaking of the licensee
- Paragraph 1 of SLC19 – Prohibition of discrimination under chapters 4 and 5, which prohibits the licensee from discriminating between any person or class or classes of persons when providing use of systems or connections or carrying out works for the purposes of connection
- Paragraphs 1 and 3 of SLC41 – Prohibition of discrimination under Chapter 9, which prohibit the licensee from discriminating between any person or class or classes of persons when providing, respectively legacy metering equipment and data services
- SLC43B – Prohibition on generating by licensee

2 Compliance with obligations

The practices, procedures and systems set out within the published Compliance Statement are in place to enable ENWL to monitor and ensure that compliance is maintained. Since publication of our Compliance Statement in December 2019, ENWL has demonstrated compliance with the relevant requirements.

Throughout the year, compliance is routinely tested by the Compliance Officer and any issues identified are resolved or escalated to the Executive Leadership Team.

A copy of this Compliance Report has been provided to Ofgem.

¹ [Link to ENWL Compliance Statement](#)

3 Activities of the Compliance Officer

Accountability for compliance with ENWL's Independence of the Distribution Business and restricted use of Confidential Information Compliance Statement has been assigned to the Regulation and Communications Director who is a member of the Executive Leadership Team. Responsibility has been delegated to the Head of Economic Regulation who acts as the Compliance Officer.

ENWL has in place managerial and operational systems to ensure the organisation can meet its regulatory obligations and the company has in place policies and procedures that employees are required to follow. All new employees undertake mandatory induction training to raise awareness of the regulatory environment in which ENWL operates and a refresher training programme is in place for those directly associated with regulatory reporting.

ENWL maintains a Table of Accountabilities which documents accountability and responsibility for each licence condition. Briefings are provided to managers named within the Table of Accountabilities to ensure they understand their responsibilities. In the event of personnel changes, we brief the new post holder of their regulatory accountabilities. Employees are made aware of the Table of Accountabilities through regulatory training.

Since appointment as the Compliance Officer during the year, the Head of Economic Regulation has carried out the following activities: -

- Reviewed cross business activities to ensure there is clear understanding of the requirements, compliance is reported annually through the cross-subsidy report and externally audited
- Assessed training requirements associated with regulatory compliance, discussed with the accountable manager the processes that are in place to identify those requiring training and considered the control checks that are carried out to confirm completion
- Ensured that new business employees are introduced to the regulatory regime through an induction briefing
- Maintained the Table of Accountabilities throughout the period ensuring this accurately reflects ENWL's licence and commercial code obligations, that these are being discharged appropriately within the organisation and that routine briefings are completed as required
- Worked with internal teams to respond to Ofgem feedback on our Customer Load Active System Services (CLASS).
- Evaluated through compliance assurance assessments, a sample of ENWL's business practices, procedures and systems, as set out in the Compliance Statement, to test their effectiveness.

4 Complaints in relation to relevant requirements

Should any complaints be received in relation to the relevant requirements, these are referred to the Compliance Officer for investigation. The role of the Compliance Officer is to investigate the complaint and recommend any remedial action that the investigation has demonstrated to be necessary. As set out in our Compliance Statement, should additional support be required to assist the Compliance Officer in the investigation, this will be drawn from the appropriate teams across the organisation including the Economic Regulation Team and the Risk, Control and Assurance Team. If required, external third party organisations may be appointed to carry out assurance activities.

During the year to November 2020, no formal complaints were received by the Compliance Officer in relation to the relevant requirements.

5 Managerial and Operational Controls

ENWL has an organisational structure consisting of a Chief Executive Officer supported by an Executive Leadership Team. These individuals have responsibility for ensuring compliance with the licence conditions including the relevant requirements set out in section 1 above.

The Chief Executive Officer and Chief Financial Officer are executive members of the ENWL Board. The Board includes both executive and non-executive directors.

6 Contact

Any queries in relation to this compliance report should be directed to the Head of Economic Regulation (Compliance Officer) using the details below.

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