

**BUSINESS COMPLIANCE  
OFFICER'S REPORT  
OPTIMAL POWER  
NETWORKS**

Confidential

## Report Versions

Version	Author	Reviewer	Date
Rev 01 Final	A. Austin	L. Murphy	25/04/2022

### Prepared by:

**Agency**

Andy Austin  
 Business Compliance Officer  
 SSE Group Compliance  
 andy.austin@sse.com

### Prepared for:

**Optimal Power Networks**

Grant Elder  
 Head of IDNO (Optimal Power Networks)  
 C/O SSE Distributed Energy  
 grant.elder@sse.com

## Contents

BCO Summary .....	3
Audit.....	3
Reports, investigation activity and existing controls.....	4
BCO activity.....	4
Appendix.....	4
Licence condition.....	4
Link to consolidated licence conditions .....	5

## Introduction

This BS Officer’s Report is for the year to 31 March 2022, as required by Standard Licence Condition (SLC) 31C.4 (g) of the electricity distribution licence of: Optimal Power Networks (OPN).

It should be noted that in December 2021 Forbury Assets Limited officially renamed to Optimal Power Networks.

The report summarises the Business Compliance Officer’s (BCO) activity, which supports OPN compliance with the relevant requirements for the implementation of the practices, procedures and systems adopted in accordance with the Business Separation Compliance Statement.

OPN is required to publish its own BS Compliance Report on its website, under SLC 31c.12(b). The OPN Business Separation (BS) Compliance report will be produced by OPN.

The BCO position is independent from Optimal Power Networks and the appointee has been formally approved by Ofgem.

## BCO Summary

This report details the activities of the BCO throughout the year including reference to any:

- Investigative work undertaken;
- Review work undertaken on behalf of the BCO; and
- Business support and guidance provided.

Optimal Power Networks (OPN) has demonstrated Compliance with Licence Condition 31B:

Independence of the Distribution Business to the satisfaction of the BCO in the following areas:

- Restricted use of Confidential Information;
- Maintenance of its Branding (being fully independent from its Relevant Undertakings); and
- Managing the transfer of employees from the Distribution Business to any Relevant Undertaking.

In addition, it is confirmed that OPN has maintained its Business Separation (BS) controls to prevent access by any relevant undertaking to the satisfaction of the BCO in relation to:

- Its systems for recording, processing, or storing data.
- Its equipment, facilities, and property employed for the management or operation of the Business.
- The services of any persons who are (whether or not as their principal occupation) engaged in the management or operation of the Business.

OPN and the BCO is supported in its BS controls by SSE Regulation, SSE Group Compliance and SSE's Distributed Energy Business Assurance team.

## Audit

Due to the immaturity of the Business and current low volumes of operational business activity, OPN has decided not to engage an independent, external BS Auditor again this year.

A BS Audit has been undertaken on my instruction by the SSE Group Compliance team. The SSE Group Compliance function is independent of SSE Enterprise and OPN, reporting directly into the General Counsel directorate of SSE Group.

Three issues were identified during BS report for the financial year 2020/21 which resulted in a requirement of corrective actions. The details were provided in the 2021 BCO Directors report. Actions were monitored and managed independently by Group Compliance. All were closed within agreed timeframes.

An independent audit by Group Compliance was undertaken between January & February 2022 which identified the following:

- One finding relating to the Service Level Agreement (SLA) for the provision of Business Support Services was identified, the corrective action requirement has been agreed with an action owner and a due date of 15 May 2022. This action will be monitored and can only be closed with the authority of the BCO. The BCO will be supported by the Enterprise Regulation Business Partner and the Group Compliance Operations Manager.
- Five observations were noted relating to: training completion rates, management of SLA's, procedural documentation amendments, and publication of information on the website. These have been noted and will be discussed with improvement actions tracked during the weekly OPN Compliance meetings.

## Reports, investigation activity and existing controls

There was one potential Business Separation related complaint in March 2022. It was identified by OPN Directors and communicated to the BCO on receipt. An investigation was undertaken to establish the facts and formal report was provided by the BCO to the Head of OPN on 14 March 2022. It is my consideration that there was no breach of Business Separation Licence Conditions, however opportunities to strengthen existing arrangements were identified.

There have been 20 further enquiries logged in the dedicated OPN BS inbox in the previous reporting period. The majority of these related to technical issues in completing the new Business Separation eLearning programme. None required further investigation or escalation.

The requirement to ensure that a non-discriminatory approach is taken continues to be managed via controls including: the application of internal arrangements and processes, charging statements, staff training, and affiliation with the Distribution Connection and Use of System Agreement (DCUSA). No issues or concerns have been raised or reported in these specific areas.

As noted in the Group Compliance Business Separation report, the current control documentation is undergoing review and update to accommodate the business name change from Forbury Assets Ltd to Optimal Power Networks, additional document updates are being made on review, following the first full year of operation.

## BCO activity

The Compliance Officer role, as stipulated in Condition 31C, was performed during reporting year April 2021 and March 2022 by myself, A. Austin as the BCO.

I have been granted full and open access to OPN staff and documentation as requested to complete this work. Throughout the financial year, weekly meetings have been held with OPN Directors, Business Assurance, DE Regulation partner and OPN Company Secretary, with any relevant BS activity/actions recorded. Monthly formal reporting from Business Assurance was not required.

In addition to the requirement to provide relevant advice and information to the licensee for the purpose facilitating its compliance with the Relevant Obligations. I have discussed and advised on OPN's managerial and operational independence, enquiries, IT systems (protection of confidential information), staff transfers, training arrangements including the development of an eLearning programme, and branding as required. Extensive branding consultation was undertaken in relation to the business name change from Forbury Assets Limited to Optimal Power Networks and its associated new independent branding and website.

## Appendix

### Licence condition

(Context; Direct from Consolidated Licence)

#### **Condition 31C. Appointment of Compliance Officer**

Application to Vertically Integrated Undertakings

31C.1 This condition applies where the licensee is not a Distribution Services Provider but is part of a Vertically Integrated Undertaking.



### **Purpose of appointment**

31C.2 The licensee must ensure, following consultation with the Authority, that a competent person (who is to be known as the Compliance Officer) is appointed for the purpose of facilitating the licensee's compliance with the Relevant Obligations.

### **Appropriate tasks for the Compliance Officer**

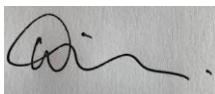
31C.3 The licensee must at all times ensure that the Compliance Officer is engaged for the performance of such duties and tasks as the licensee considers it appropriate to assign to him for the purpose specified at paragraph 2.

Those duties and tasks for the Compliance Officer must include:

- (a) providing relevant advice and information to the licensee for the purpose of facilitating its compliance with the Relevant Obligations;
- (b) monitoring the effectiveness of the practices, procedures, and systems adopted by the licensee in accordance with the Compliance Statement required under paragraph 3 of standard condition 31B (Independence of the Distribution Business and restricted use of Confidential Information);
- (c) advising whether, to the extent that the implementation of such practices, procedures, and systems requires the co-operation of any other person, they are designed so as reasonably to allow the required co-operation;
- (d) investigating any complaint or representation made available to him in accordance with paragraph 6;
- (e) recommending and advising on the remedial action that any such investigation has demonstrated to be necessary or desirable;
- (f) providing relevant advice and information to the licensee for the purpose of ensuring its effective implementation of the practices, procedures, and systems referred to (at) sub-paragraph (b), and of any remedial action recommended in accordance with sub-paragraph (e); and;
- (g) reporting annually to the licensee's directors about his activities during the period covered by the report, including the fulfilment of any other duties assigned to him by the licensee under this condition.

### **[Link to consolidated licence conditions](#)**

Information on the requirement for Compliance Statement is 31B.6 (page 189)



A Austin,  
Lead Auditor,  
SSE Group Compliance & OPN BCO,  
April 2022.