

State Grid Shanghai Municipal Electric Power Company Document

State Grid Shanghai Municipal Electric Power Company Office

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Circular of the State Grid Shanghai Municipal Electric Power Company on Further Reducing the Electricity Connection Costs and Optimizing the Electricity Application Procedure

Power supply bureaus, the Material Company of the State Grid Shanghai Municipal Electric Power Company, the Customer Service Center of the State Grid Shanghai Municipal Electric Power Company, the Information & Telecommunication Company of the State Grid Shanghai Electric Power Company, the Electric Power Research Institute of the State Grid Shanghai Electric Power Company,

To carryout and fulfill the *‘Implementation Measures for Further Optimizing Electricity Connection Environment in Shanghai (for Trial Implementation)’*, the *‘Circular of the State Grid on Simplifying the Procedure and Speeding up the construction of New User Getting Electricity at 10 kV or Below (General Office of the State Grid Document No.1081, 2017)’*, and the *‘Circular of the State Grid on Publishing the Work Plan on Getting Electricity Special Control Campaigns and Optimizing Business Environment (General Office of the State Grid Document No.150, 2018)’*, to further reduce the customer electricity connection costs, to optimize the electricity application procedure, and to improve low-voltage customers’ *‘Sense of Getting Electricity’*, notify the related matters as follows.

1. Guideline and Working Principle

Guideline: adhere to customer-centered and market-oriented; take enhancing company’s competitiveness, reducing customer electricity connection costs, speeding up the construction of electricity connection , improving low-voltage customers’ *‘Sense of Getting Electricity’* as the objective; change mindsets and transform concepts to set up a new low-voltage electricity connection management model which

fulfilled the requirements of government, State Grid, and customers.

Working principle: be proactive in adapting to the government's reform requirements, and accelerate the building of a customer-centered and market-oriented electricity connection mechanism. Provide one-stop services for customers, extend the power grid investment scope, devolve project management rights, optimize the electricity application procedure, implement the investment plan for supporting facilities projects for electricity connection, optimize the communication mechanism for government licenses and documents, reduce the internal time, speed up construction, and create a good electricity environment for customers.

2. Implementation Object

This notice applies to scattered low-voltage consumers who apply for 160 kVA or less within the jurisdiction of the company (exclude the low-voltage electricity commercial customers and real estate projects customers in bulk installation and other voltage-rate customers).

3. Work Objective

The time required to complete all procedures without external connection works should be no more than 5 working days (power supply companies time); The time required to complete all procedures with external connection works do not require works that involve road excavation should be no more than 20 working days (power supply companies time); The time required to complete all procedures with external connection works involve road excavation should not exceed 35 working days (the time for power supply companies should not exceed 20 working days, and the time for government should not exceed 15 working days). The power supply company is the main organization for the customer in terms of project implementation, takes charge of the relevant procedures throughout the entire process, and provides one-stop service for the customer. The company's power grid construction investment extends to the customer's power meter, and the expenses are listed in the company's electricity connection supporting infrastructure project package or technological transformation project package. The approval authority and related system operation authority of all links involved in low-voltage customer reporting are decentralized to the power supply company. The project is approved by the power supply company and reported to the company for record. Thus achieve a loop that the approval of the project, the

release of the plan, and the implementation of the project flow within one power supply company. Through introducing the integration of external line design process and selection process, implementing the integration of the initial feasibility study process, initial design process and approval process, carrying out the joint supply model of supplier storage, physical storage, and 'Protocol Inventory' to achieve the electricity connection time reduction.

4. Major Measures

4.1 Implementing 'Three-ones Service' requirements

The power supply company provides '*Three-ones Service*' -- *One external communication, One license acceptance, One-stop service* and implements the customer notification process; the power supply company is the main organization of electricity connection supporting projects, takes charge of the relevant procedures throughout the entire process, and provides one-stop service for the customer. The electricity application procedure is compressed into two procedures. Newly installed and capacity-added low-voltage customers will all experience cost control.

4.2 Expanding supporting projects investment in customer' power meters

Starting from March 1, 2018, power supply companies have provided free services for the low-voltage individual customers who did not pay the electricity connection fee (low-voltage electricity commercial customers and real estate projects customers in bulk installation and other voltage-rate customers is still charged according to the original policy). The cut-off point for the investment between the company and the low-voltage customer is the customer's power meter. The power supply facilities (including the energy meter, metering device, and meter box) at the demarcation point are all invested by the company. This kind of project falls into the investment scope of the electricity connection supporting infrastructure project. Among them, the cost of the purely new construction project and the newly-built and reconstructed mixed project are listed in the company's electricity connection supporting infrastructure project package, and the pure transformation project is expanded from the company's electricity connection supporting technological transformation project package.

4.3 Delegating new customer development project management authority

Based on historical low-voltage electricity connection revenues and expenses, the

power supply company reports capital requirements for infrastructure projects and technical transformation projects for the electricity connection supporting projects in 2018. The company's development department prioritizes the funding requirements of the two project packages in company's annual comprehensive plan and divides the project package through power supply companies. Power supply companies divide the project package by the customer demand of electricity connection. These funds are used for specified purpose only. According to the requirements of the project filing system, relevant departments of the company decentralized project approval and ERP, Project plan, project management platform, and financial management and control management system operation authority, and realize the rapid transition from 'Ex-ante Approval' to 'Total Control and Later Supervision' at the company level as soon as possible.

4.4 Optimizing management mode and reducing electricity connection time

Power supply companies carefully sort out the low-voltage project procedures, introduce the integration of external line design process and selection process, and implement the integration of the initial feasibility study process, initial design process and approval process. Integrated one responsibility with multiple tasks, and optimized the procedures to the maximum via the principle of streamlining all possible procedures. Combine the time requirements of the municipal government's documents on low-voltage electricity connection, invert the deadline of each procedure, unify the internal operating standards, and implement the system of signing the responsibility for project construction and material supply units, and implement the requirements to the departments and personnel.

4.5 Improving the material supply efficiency of supporting power grid projects

The material department and material company (material supply center) must increase support for the electricity connection supporting projects and work hard for material supply services. Implement joint supply model of supplier storage, physical storage, and 'Protocol Inventory' to achieve the full coverage of the customers needed to electricity connection supporting projects. Increase the suppliers' inventory items and formulate a reasonable reserve quota. The reserve material needs to be delivered to the site or to the warehouse within 3 working days after it is requested. Establish a limited-time supply security mechanism for the electricity connection supporting

projects, strengthen resource pooling, optimize procurement and supply modes, and increase distribution power, to achieve full time-limited supply of goods and meet the city government's requirements for low-voltage electricity connection.

4.6 Implementing no-blackout operation to ensure timely customer access

Vigorously promote non-blackout operations and strive to achieve full coverage of uninterrupted operations for electricity connection projects at 10kV or below. Optimize the power outage (recovery) plan of the electricity connection project. Control center will increase the green channel for the 10kV equipment embargo plan due to low-voltage electricity connection. For grid-constrained projects, company adhere to the principle that get electricity first and transform project later, giving priority to ensure the customer get electricity on time.

4.7 Improving the mechanism for working with the government departments responsible for issuing licenses

Power supply companies communicate with the line selection organization and the government departments responsible for issuing licenses in advance, and promote unimpeded information and personnel communication channels. Based on the needs of the government department, use e-mail, express delivery, etc. to quickly transmit the required information, and promptly responds to the response of the line selection organization and government departments. Build a well-communicated mechanism with the line selection organization and government departments.

4.8 Strengthen the control of the expansion of the power grid project

Improve the information disclosure and real-time management platform functions of electricity connection supporting projects. The electricity connection supporting project package management, project creation, project approval, project design, material supply, license management, project construction, and interrupted (send) E-planning and linking of electricity to other parts of the industry have been integrated into the information disclosure and real-time management and control platform of the getting electricity procedures to realize the online and transparency of all business processes and time nodes, and resolutely prevent offline circulation. The company's marketing department will jointly carry out monitoring and evaluation with the Transportation Supervision Center, regularly submit the analysis report to the company's leadership and related departments. Relevant departments of the company

will be supervised vertically to form an evaluation system for the department.

5. Executing requirements

5.1 Improve the system and enhance the accountability system. Relevant departments of the company must fully recognize the importance and urgency of establishing new models for low-voltage customers, enrich their strengths, revise relevant systems, and improve information systems. The marketing department is responsible for formulating the detailed rules for low-voltage customer application support after the connection construction fee is no longer charged, formulating the system of management and evaluation for electricity connection supporting projects. The development department is responsible for optimizing the management process of the electricity connection supporting infrastructure package and delegating project approval and system operation authority. The Construction Department is responsible for formulating guidelines for the implementation of electricity connection supporting projects. The materials department is responsible for formulating relevant provisions for the supply of supporting power grid projects. The transportation inspection department is responsible for optimizing the technical renovation package management process for electricity connection supporting power grids, decentralizing project approval and system operation authority, formulating relevant regulations for non-blackout operations, specify the ‘Getting Electricity First and Transforming Project Later’ operating conditions. The control center will set up an exemption-free green channel for the 10kV equipment accommodative stop plan caused by low-voltage customer access. The finance department will delegate the company-level project management platform (reserve inclusion and budget release), financial control system (investment budget preparation and adjustment), and the approval authority to power supply companies according to the decentralized plan of electricity connection supporting project package. The science & information technology department is responsible for implementing system authority adjustments based on functional departments’ needs, monitoring system optimization and other works.

5.2 Build a tight organization to ensure good results. As the implementing entity of power access for low-voltage customers, the power supply company should immediately establish a leading group with the power company’s main executive as the team leader and related deputy general managers, chief engineers, and department directors as the team members and a working group with the deputy general manager

of marketing as the team leader and heads of relevant department as the team members. They should comb, optimize, and compress the low-voltage customer filing phase, address the phase completion requirements, the responsible department, and the responsible person based on the target requirements. Before system adjustment operate according to the company's delegating authority and ensure process flow is well documented; after system adjustment follow the adjustment requirements. Efforts should be made to actively communicate with external line selection organizations, government departments, and material supply departments to establish a good cooperative relationship to ensure that customers' electricity connection time is controlled within the government limit.

5.3 Encourage innovation and improve performance in installation. Power supply companies must emancipate their minds and dare to explore, continuously improve their power supply service capabilities, actively promote the transformation and upgrading of the industry expansion service model, and do a good job of reviewing and promoting typical experiences. The company has included the company's performance evaluation in accordance with the contributions made by the power supply companies' innovation achievements. Meanwhile, publicity should be enhanced so that more customers start to use online service channels like Palm Power. We aim at 95% of customers applying for electricity online.

Appendix

1. Circular of the State Grid on Simplifying the Procedure and Speeding up the construction of New User Getting Electricity at 10 kV or Below (General Office of the State Grid Document No.1081, 2017)
2. Circular of the State Grid on Publishing the Work Plan on Getting Electricity Special Control Campaigns and Optimizing Business Environment (General Office of the State Grid Document No.150, 2018)

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March 1, 2018

(This document is issued to the recipients and their secondary organizations.)