

Western Power Distribution Connections Customer Steering Group

4th March 2014

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1. Introduction

The Connections Customer Steering Group met for the second time on 4th March at WPD's Gloucester office. Members of the Steering Group represented a number of different types of organisation; they can be broken down under 5 headings: Independent Distribution Network Operator / Independent Connection Provider (IDNO/ICP), Distributed Generation (DG) Consultant, Local Authority (LA)/Public Lighting, Utility Provider and Connection Consultant (CC).

There were six presentations given during the day. The first presentation, RIIO ED1 Fast Track Decision was given by Robert Symons, WPD's Chief Executive.

Each of the remaining four presentations were split into two sections, a presentation from a WPD representative followed by a round table discussion.

The questions raised and key themes are addressed in each of the individual sections below.

This report is based on the notes taken by our own scribes at the workshops and we have endeavoured to faithfully record all of the comments made. Where possible, we have used verbatim comments.

2. RIIO ED1 Fast Track Decision

Robert Symons, WPD's Chief Executive outlined to the CCSG the Business Plan submission process undertaken by WPD. He spoke about Stakeholder Engagement being at the heart of WPD's business planning. This is demonstrated by the level of and type of engagement that has taken place. WPD published the draft plan in full and consulted on every output.

Following stakeholder feedback substantial changes were made:

- Commenced working to the 12 hour standard in 2013
- Voluntarily doubled Guaranteed Standards failure payments
- Accelerated resilience tree trimming programme
- Increased the number of substations protected from flooding
- Improved time to connect target for all new connections
- Increased target for complaints resolved within one day

WPD is the only DNO that has:

- Undertaken uninterrupted stakeholder engagement DPCR4/5
- Communicated plan progress every year to all customers
- Communicated each year via TV and newspaper advertising explaining who WPD are and what they do.

Headlines from the Business Plan

WPD will:

- **Invest £6.3 billion in core distribution business activities**
- **Deliver 76 outputs including voluntary commitments in every category**
- **Maintain our number 1 position with respect to customer service and network reliability, whilst improving service even further**
- **Provide value for money by delivering £119m per annum savings as a result of acquiring the Midlands networks**
- **Continue to be at the frontier of efficiency by delivering a further £260m savings over 8 years**
- **Reduce customer bills – WPD's charges will reduce by an average of 11% (before inflation)**

3. CONNECTIONS UPDATE

3.1. Stakeholder Engagement Workshops

A WPD representative spoke about four key areas:

- Recent WPD workshops
- Ofgem ICE incentive
- Recent Performance figures
- Update on the Competition Test

WPD stakeholder workshop activity:

- 6 workshops were held at: Leicester, Birmingham, Exeter, Newport, Bristol and Cheltenham
- 205 stakeholders attended

Key objectives were to:

- Confirm the key aspects of WPD's final RIIO-ED1 Business Plan
- Explain the fast-track recommendation
- Identify which outputs stakeholders would like WPD to deliver early

Connections Surgeries

Key improvement actions identified were:

- Add 'community energy' as a customer connections segment and invite a representative to join WPD's Connections Customer Steering Group
- Add customer connections surgeries to the connections improvement work-plan
- Consult on the management of the Distributed Generation queue
- Provide clarification on various aspects of connection policy and clearer connections offer letters (policy on single vs dual supplies to a single site and policy on commercial credit for transformer replacements)
- An IDNO representative asked 'what is community energy?'
- A Community representative answered. They explained that a lot of community groups have got together to look at how they can generate energy in their communities for the benefit of the community. They range in size and scale and are not necessarily green groups or environmental groups, they could just be interested local citizens. Examples include: Bath & West Community Energy group are partnered with Bath and North East Somerset Council to put PV on Council-owned buildings such as schools, Plymouth Community Co-Operative are installing solar panels and have launched a share offer. They are not for profit as profits go back into the community. There are currently 180 community energy groups in the South West region alone. DECC recently published a Community Energy Strategy: <https://www.gov.uk/government/publications/community-energy-strategy>. They want to develop the sector and see Community Energy generating at a local level.
- A WPD representative commented that it was noticeable at the workshops that communities were not familiar with the process for doing these schemes and needed help as most were different. WPD will publish a response to the workshops and had noted 30 specific actions to take on as a result. Stakeholders wanted engagement to be enduring.

3.2. Incentive on Connections Engagement (ICE) Update

- A new incentive commencing April 2015 aimed at improving service for larger connections customers
- The incentive will give connections customers input into a DNO's high level connection strategy and work plan of activities
- WPD are starting this process in advance of April 2015 and see it as a key focus of this group where they will road test it
- WPD intend to go to Ofgem with a plan of improvements for the next year in April 2015, based on the work undertaken between now and April 2015, which should have been discussed and agreed with stakeholders
- In June 2016 WPD will be able to do a report reflected back on what has been achieved against what they had said they would do
- Ofgem will undertake consultation activities twice a year throughout the period in which they would seek stakeholders' views
- An IDNO representative asked whether all DNOs will be doing this at the same time. It was confirmed that this is likely to be the case but WPD are implementing this early with the CCSG and workplan. Ofgem are trialling ICE this year. An IDNO representative raised a concern about it being done this way as all consultations would come in at once and would be difficult to manage to respond to all.
- A DG (Community Groups) representative asked what the balance between DG and demand is when putting together the plan: would one side dominate? A WPD representative said that there is no difference when it comes to putting the plan together and they would apply the same weight and service to both. It was noted that as part of the forecasting there is a predicted increase in the volume of DG connections but it was difficult to forecast. Taken from the DECC target whatever was forecast won't be right. The Low Carbon agenda shows that you can deal with a volume different from what was forecast but all customers would get equal treatment
- A DG (Community Groups) representative asked whether the DG Forum would continue. A WPD representative confirmed the next forum is in October and that ideas and actions arising will be replicated at forums for all customer segments and will form part of the CCSG workplan.
- A WPD representative said that there was a potential penalty of 0.9% of revenue in RIIO-ED1 if the requirements were not met
- An IDNO/ICP representative asked whether the ICE submission will be based on the four licence areas. A WPD representative confirmed that the submission is based on those areas in each licence where WPD have not passed the competition test and met the minimum criteria. They could be penalised if they did not meet the standard in just one area.
- An IDNO/ICP asked whether WPD would be making eight submissions. A WPD representative confirmed discussions were taking place with Ofgem regarding this and hoped to persuade them this would not be necessary. As things stand WPD could need to submit one plan per licence area per segment, which would mean WPD would need to complete 36 submissions. It would be logical to have one plan to cover all segments. UPDATE: Ofgem have since provided guidance that a DNO may submit a single plan to cover each licence area and segments. It will be up to the DNO to ensure that if it submits a single plan that it clearly identifies how the plan relates to each licence area and segments.
- A major connections customer representative said the process seemed cumbersome and there had not been a lot of engagement
- A Connections Consultant representative asked if it only applied if WPD had passed the competition test
A WPD representative said that they would work across all segments. The penalty will however only apply to segments for which the DNO has not passed the competition Test and been able to earn an unregulated margin.

- A DG (Community Groups) representative asked what the definition of 'larger' was for the purpose of ICE.
Definition of what is included under the ICE criteria:

Summary of Relevant Market Segments

Metered Demand Connections	Low Voltage (LV) Work: LV connection activities involving only LV work, other than in respect of the Excluded Market Segments.
	High Voltage (HV) Work: LV or HV connection activities involving HV work (including where that work is required in respect of connection activities within an Excluded Market Segment).
	HV and Extra High Voltage (EHV) Work: LV or HV connection activities involving EHV work.
	EHV work and above: extra high voltage and 132kV connection activities.
Metered Distributed Generation (DG)	LV work: low voltage connection activities involving only low voltage work.
	HV and EHV work: any connection activities involving work at HV or above.
Unmetered Connections	Local Authority (LA) work: new connection activities in respect of LA premises.
	Private finance initiatives (PFI) Work: new connection activities under PFIs.
	Other work: all other non-LA and non-PFI unmetered connections work.

Summary of Excluded Market Segments.

Metered Demand Connections	Single LV work - Single LV single phase service connection.
	Small LV projects 2-4 LV single phase domestic services or for connections to 1-4 LV single phase domestic premises involving an extension to the LV network or a single two or three phase whole current metered connection (not requiring an extension to LV network).

- A Connections Consultant asked if all of the revenue is at risk or is it just relevant to that market area. A WPD representative confirmed it is 0.9% of total revenue for WPD

3.3. Connections Customer Service Update

- A WPD representative outlined the performance information relating to overall service and particularly connections. The survey is undertaken by Accent on behalf of Ofgem and they survey 12,000 customers per year.
- The four WPD licence areas are top in both the overall combined and the connections specific survey. Scores are marked out of 10 and are a real driver for performance
- Whilst WPD are pleased to be in the top four positions they will not be complacent about this. There is always the opportunity to learn and develop. Specific areas WPD are focusing on where they need to improve include: How clearly the process was explained; How clearly the charges were explained and Promptness of contact to arrange date.
- A Local Authority representative commented on the difference between the WPD licence areas. WPD acknowledged that the East and West Midlands licence areas had only been part of WPD since 2011 and that much was being done to drive forward the rate of improvement. However, both areas had improved and areas were very competitive
- A Local Authority representative said they didn't think WPD could have done worse than the old Central Networks and things had improved.
- An IDNO/ICP representative said they had been surveyed a lot for connections but have never been surveyed for faults. For them as a business that has the opportunity to impact a far greater number of people as for a fault they are counted as one customer but could affect several hundred people
- A WPD representative commented that the pool of people that could be contacted for interruptions would be far bigger than connections so they were less likely to be picked. Every

customer was of equal weight, so for faults was more difficult for faults as it could apply to site with multiple customers such as IDNOs or universities for example, which are only seen as one connection point.

- A major connections customer said it was discussed at the Ofgem group as there is no way currently to distinguish and that perhaps it might be worthwhile considering a split between domestic and commercial customers.

3.4. Competition Test

- WPD applied for DG HV EHV market segment for each of their four licence areas.
- WPD passed in the South West distribution service area. Ofgem stated “significant activity by alternative providers” as a key reason and were on balance “satisfied that WPD’s prices in the South West distribution service area would be constrained effectively by competition, and that all customers in this [market segment] would be protected by competition in the absence of price regulation.”
- WPD passed 12 of 36 segments at the first attempt. A WPD representative explained that a key factor was that they had not lost enough market share, although this was not in their gift.
- WPD resubmitted for four further licence areas in DG segments. They passed in the South West region but not in the other three areas. Ofgem were not convinced they had lost enough market share or that the market was large enough to lift price regulation and pass these segments.
- A DG developer asked how you measure competition through market share or number of connections through CiC. A WPD representative said a number of different factors are taken into account including:
 - Connections completed
 - Quotations sent out and acceptance of the quotations
 - The volume of all works for end-to-end schemes by WPD compared to CiC schemes
 - The capacity of connections and non -contestable charges on all schemes
- A DG Developer said each DNO has its own view of how to measure market share the way it sees. It was hard to get competitive connections in UKPN areas. It was an anomaly as it measured the way it sees it, not how Ofgem does. This means you are not necessarily comparing like with like. A WPD representative said it is up to the DNO to measure it and provide the evidence to Ofgem. Each year WPD submits quote-by-quote and completed connections information to the regulator.
- An IDNO/ICP representative said that when they asked the question to another DNO they didn’t get a detailed answer as they did not appear to understand the question. An IDNO/ICP representative said WPD’s range of figures were understandable and gave a better view of competition in the market.

3.5. CCSG Timetable

- The next two proposed meeting dates are 24th June and 14th October 2014.
- An IDNO/ICP representative asked if it would be possible to have RIIO / business plan workshop dates as soon as possible. A WPD representative said it was likely to be February and that WPD would outline the engagement timetable for the next year at the event in June. [Action]

4. CCSG Work Plan 2014

- Following areas will be discussed: Information and application, Quotations and agreements and Construction and Connection. For each of the areas the following questions should be considered:
- Have WPD captured your key priorities in terms of the issues?
- Do the proposed initiatives adequately address the issues?
- Are there any initiatives you would like to see which have not been included?
- Are the timescales correct?

4.1. Information and Application

Issue: Improve online application functionality

WPD initiative: Implement staged CIRT functionality for all connections enquiries/customers i.e non CIC applications

- A WPD representative said WPD were asked to extend CIRT to track the progress of a job so that it isn't just ICPs and IDNOs that can use the system but it should apply to all connection enquiries, including the smaller ones. Is this the right thing to do? Should it be for all types of connection enquiry? Would you want to be sent information however you apply for it, or track it if online?
- A Local Authority representative commented that it would be particularly of value to Local Authority customers on unmetered connections. Central Networks used to provide something similar online in 2007-08 but it didn't work. The Local Authority representative wanted something that worked in real-time.
- An IDNO/ICP representative asked how a one-off customer would find the system in the first place. They commented that it would need to be intuitive as this group would not be frequent users. A WPD representative said that testing would need to be done with willing volunteers. The group agreed this should be undertaken by someone who had never used the system before, not ICPs or heavy users.
- A Connections Customer representative spoke about a problem when they are looking to connect a number of different sites. The online application system only provides a reference number and doesn't make reference to where the site is, when you are looking. A WPD rep said they would look into whether this can be improved.
- An IDNO/ICP representative said on occasions an email has been sent to confirm a letter has been posted to them as well.
- An IDNO/ICP representative said that the email coming from CIRT only gave the reference number and not the site name or address. A WPD rep said they would look into whether this can be improved.
- A DG Consultant (Community Groups) asked what WPD hoped to have completed by November and what could and couldn't be achieved by that date?

Issue: Improve awareness of website services including updates and changes

WPD initiatives: Implement user email alert for website updates and changes and improve accessibility of website information and services

- The importance of real time information was stressed by all representatives. A WPD representative said that at the previous meeting a representative had said that they could not go round every DNO's website so email alerts for web changes were important for those who had registered.

Issue: Improve availability of network information

WPD initiatives: Review network information currently available to customers and assess further requirements where necessary and implement access to further network information for customers

- A Connections Consultant said that previously when the East and West Midlands regions were part of Central Networks, network information used to be provided on disks, but it was taken off them and it would be helpful if this was re-instated. A WPD representative explained the current range of ways to access WPD plans included on a disk/memory stick similar to the previous Central Networks information.
- A Local Authority representative said they currently use the 'Before you dig' service' but it would be helpful to have the information available in real time. The reason for wanting the information is you need to know where your network is for working out where to put street lighting in a particular road. You could get information in half an hour but it was needed in real time. A WPD representative said they had the ability to look at the wider area.
- A Local Authority representative said before planning streetlights you needed to look at LV services on a plan.
- A WPD representative said that West Coast Energy want to look at large scale plans but not have to pay for an OS licence.
- A Connections Consultant said he used all DNOs. Information provided by Scottish Power and SSE is good and you don't need an Ordnance Survey licence. It would be worthwhile WPD speaking to them to find out how they provide the information.
- A WPD representative explained how WPD provide network information so that it can be overlaid on a Google map. They had trialled this with West Coast Energy. It showed an example of the assets in an area overlaid onto a google map background.
- A Connections Consultant representative asked how accurate this method was. A WPD representative said that it is quite accurate in the East and West Midlands and also in South Wales; potentially it is not so good in the South West because of the map backgrounds.
- An IDNO/ICP representative said that WPD should buy the system used by SSE and SP. A WPD representative said some backgrounds were licence free. It depends what they are printed against
- An IDNO representative said why reinvent the wheel as you could end up with what you want
- A Local Authority representative said that local authorities had OS licences but it was a problem for those who did not have licences
- An IDNO representative said he did not have a licence
- A WPD representative said that they would look at the issue [ACTION]
- An IDNO/ICP representative asked what the Google map version would look like at a primary substation in the centre of a city like Birmingham.
- A Connections Consultant asked if it was possible to convert the information into a schematic diagram. A WPD representative confirmed it was semi geo-schematic.
- An IDNO/ICP representative asked if it would show the loading of overhead lines. Is it available for generation to be put on or demand? If you don't know these things, it's no use having a line there
- A DG Consultant (Community Groups) representative said larger developers employ someone with the expertise to provide that information that a smaller organisation doesn't have access to.
- A DG Consultant (Community Groups) confirmed the DG community would like to have access to more interactive information on load and capacity. The representative said that community groups are likely to need to be able to speak to someone about what they need to do as such information won't help them - they need it explained.
- An IDNO/ICP asked do WPD have a squirrel service where a squirrel can be put in for a week to give a reading.
- A Connections Consultant representative asked when it comes to applying for connections can you allow for the more knowledgeable customers to apply for one credible option rather than lots of speculative ones to reduce the workload. WPD representative explained we have an obligation to provided offers to all customers.
- A Connections Consultant representative spoke about the DNO taskforce looking at feasibility studies where a fee of £500 is paid. In the Scottish Power region this is known as Connections Plus.
- A WPD representative said this is an option being considered in the consultation document published on 3rd March.
- A Connections Consultant representative said that Scottish Power had trialled it but were fed up as they received so many applications

- A DG Consultant (Community Groups) asked if there was an issue about charging. A WPD representative confirmed you can charge for a feasibility study, you can't charge for a connections application for a formal offer.
- A DG Developer representative highlighted the need for the human contact. They had been working with a co-operative in the South East who thought that as a result of paying for a feasibility study that they had an offer they could accept, and were in the queue, which wasn't the case.
- A DG Consultant (Community Groups) said the growing community sector needs something specific for them. It would be good to create a programme for them to be able to follow to prevent misunderstanding from occurring. A WPD representative asked how it would be possible to identify such groups.
- A DG Consultant (Community Groups) said there is a comprehensive list for the South West region and DECC's Community Energy Strategy had mapped 650 groups across the country but it was not a perfect dataset

4.2. Quotations and Agreements

Issue: Improve information provided in formal offers and consistency

WPD Initiatives: Assess whether further information could be provided to improve the offer letter, in particular the cost breakdown, timescales and milestones. Implement improvements identified

- A Local Authority representative said some DNOs do better than others when providing quotations and the key was the level of information provided both from the Local Authority and the DNO. The Local Authority representative was happy with WPD's approach.
- A Connections Consultant representative asked if an offer comes out and they ask for a constrained connection in the interim the offer is GSOP standard but nothing is coming out. They needed to know when it was coming out. When looking at the costs of DG payments they were changing the methodology and man days were coming through as standard. WPD need to tighten the methodology as they did not believe it took 75-80 days to provide quotes.
- An IDNO/ICP representative said WPD currently send out a lot of comprehensive information about cables, meters and what need to be done: would it be possible to make reference in the quotation letter to the information being on the website rather than send all the information out every time? A WPD representative said they would need to check with the legal/contractual position.

Issue: Consult on processes regarding interactivity, acceptance validity, payments and reservation of capacity

WPD Initiatives: WPD to consult with stakeholders on the approach it takes and implement a clear strategy and communicate to stakeholders

- A WPD representative spoke about the six-week consultation that is taking place on approaches they take. They needed to write better rules as there was very little interactivity when the rules were written so it was difficult to know what they should be doing
- A DG Consultant (Community Groups) representative said they had looked through the document this morning and the issues within it are quite complicated. They confirmed they had sent it out to their membership. They said the complexity of the document highlights how difficult it is to engage in the process without the required expertise and also money. They confirmed that renewable energy DG is delivered mainly as a result of Government subsidies. It was noted the demand profile is likely to change as different issues arose and this means that DNOs are likely to be playing catch up based on the volatility of the sector for the next four years.
- The importance of on-going dialogue was stressed by all representatives. It was also noted that there may be some stakeholders that require more attention than others.

Issue: Acceptance of e-signatures

WPD Initiative: Implement policy to allow acceptance of electronic signatures for agreements

- A WPD representative said that this initiative was intended to save paperwork.

- An IDNO/ICP representative asked if e-signatures would be applicable to all documents. A WPD representative said this would be the case unless there was a variation to the agreement, in which case a signature would be required as hard copy in writing.
- An IDNO/ICP representative said under the UKPN process signatures are provided for the main overarching document but individual [site specific] agreements are not signed, they are appended
- An IDNO/ICP representative said if there is going to be a move to complete more things electronically, which they welcomed; WPD may need to look into the file sizes of emails their staff are able to accept as inboxes filled up quickly.
- An IDNO/ICP representative said they were starting to receive Bilateral Connection Agreements from planners before receiving design approval and this was causing issues. A WPD representative said they wouldn't want to issue before approval and asked if it would be possible for specific examples to be provided to illustrate this.

Issue: Improving the process of gaining legals and consents

WPD Initiative: Identify and implement improvements to connections legal process to improve timescales, consistency and transparency for customers

- A WPD representative said that the policy was framed with flexibility as it needed consistent application by the teams who would be having training. They had received feedback when it had not been applied consistently.
- An IDNO/ICP representative asked if the policy was available. A WPD representative said he was not sure. An IDNO/ICP representative asked if he could see it.
- An IDNO/ICP representative said that when freehold was incorporated in the document it was working well but they had not bottomed it out for leasehold and it would be good to tidy this up. A WPD representative said that leases were a nightmare for utilities.
- A Connections Consultant representative asked if they should speak to lawyers where leases were concerned. They might not agree with what you had agreed with your officer. There was no attempt to reflect the site in the draft documents. If the documents reflected what was agreed it would save work and speed the process.
- A Connections Consultant representative emphasised the importance of the role of the lawyer, who worked for WPD and did not need to liaise with the customer but they should not cause a delay to the process. Their job was to complete the legal process and the initial draft should reflect the commercial terms: if there was a break clause it should be included. They suggested planners should be reminded they still own the issue even if it has been referred to the lawyers.
- A Connections Consultant representative thanked a WPD representative for taking forward their points relating to this issue that had been raised at the last meeting.

Issue: Extension of contestability – self assessment of POC

WPD Initiative: Trial and implement process to allow self assessment of POC for ICPs

- A WPD representative said that some DNOs were doing this. They had designed the initial process and were trying to achieve the right balance, not have a free for all. They were looking for help to test the process.
- An IDNO/ICP representative said that this was an area they wanted to develop. They needed the data and records to support it. A WPD representative acknowledged that sometimes systems designed for internal use are hard to share externally.
- An IDNO/ICP representative stressed the importance of getting this right. If it doesn't work it becomes an issue for their organisation and ones like them commercially.
- A Local Authority representative spoke about an associated issue they are facing regarding access to a mains joint for work to be undertaken. The representative was concerned this could mean the clock needs to be restarted and this would cause a delay. They wanted WPD to give a permit to work on the mains so they could get an application in to work a week in advance to do the mains joint. Was there any way round this? A WPD representative spoke about this situation being classified as high priority works to obtain consent to connect. This means the work could be done that day or the following day if the application was outside of the normal weekly process and could be requested out of normal working hours.
- A Utility Provider representative said they had put through applications as high priority and this procedure worked well. A WPD representative said it was not intended to apply to high volumes of work.

Issue: Extension of contestability – connection reinforcement

WPD Initiative: Develop trial and procedures to facilitate ICPs carrying out connections reinforcement

- A WPD representative said had been discussed nationally to see if they could make progress. They confirmed they are in touch with Ofgem to see if there is a way forward to get the trial up and running.
- An IDNO/ICP rep confirmed that these discussions had stalled at a national level.
- An IDNO/ICP representative asked about reinforcement further up the network where there had been a voltage drop at the point of connection. If the POC is being looked at shouldn't the whole network be considered to see if it can bear the additional connection points. This is a situation that would affect existing customers. Could the work be made non contestable.
- A WPD representative said the main barrier has been the allocation of the cost/price transfer to ICP/IDNOs and the calculation of the overheads to apply to the works.
- An IDNO/ICP representative asked about the issue of the second comer rule. They could not charge back if an ICP supplies the line. A WPD representative said that WPD had no objections to this but it was not in the DNO's gift to do anything about that. A Connections Consultant continued by saying this issue had been raised with Ofgem who said it was for DECC to resolve and when raised with DECC they said it was for Ofgem to resolve. There is now to be a meeting with DECC, Ofgem and the Solar Trade Association to resolve the issue. A WPD representative said it was a legislative issue and might need secondary legislation.

4.3. Construction and Connections

Issue: Improve communication in unmetered connections

WPD Initiatives: Implement process to notify LAs of programmed dates for UMS connection works (potentially via online application system) and investigate ability to notify UM customers of planned outages

- A WPD representative confirmed that the information will be made available online by November 2014 but notifying UM customers of planned outages was more difficult as it meant trying to identify when substations were off. They were looking into this.
- An IDNO/ICP representative said Northern Power Grid have a list of any unmetered supply customers in a database, such as pumping stations, and if there are any shut downs an email goes out to the database saying that customers might be affected. Whilst this could be seen as overkill as it goes to everyone the information is generally quite good. A WPD representative said that they do something similar with suppliers who are notified of all shutdowns but it is done by postcode to prevent people from being sent information relating to issues miles away.
- A Utility Provider representative confirmed Northern Power Grid do this for metered supply outages as well but it is a nightmare.
- A Local Authority representative explained how this can sometimes be difficult for a local authority as they don't tend to have one postcode covering all of the areas they are responsible for; an example of this is for outages that would affect street lighting. Although it was noted that Local Authorities don't tend to get phone calls when street lights go out as it normally means the whole electricity supply has gone down.

Issue: Expand service for IDNO network emergency support

WPD Initiative: Rollout ability to support IDNO networks for fault repair service across WPD regions

- A WPD representative noted this is not currently available in the East and West Midlands but they were looking to put it in.
- A Local Authority representative said they had had a meeting with an NPG representative in Wakefield and DNOs would support this. A WPD representative said this was done in Wales and the West.

Issue: Improve consistency of process

WPD Initiative: Implement training and briefings to improve consistency across teams

- A WPD representative said the company was looking to standardise documentation and provide further training as there were different ways of doing things. However, they wanted to retain some flexibility, as Cornwall was different from Gloucester, for example.
- A Connections Consultant representative said the most important thing when it comes to consistency is customer service.
- A WPD representative said they want to provide exceptional customer service everywhere.

Issue: Improve and consolidate inspection and monitoring processes

WPD Initiative: Consult on and develop integrated I&C process

- A WPD representative said they want to make the ICP inspection process more transparent. A database would enable people to know what inspections are being done instead of pay as you go. People would pay up front which would improve the process.
- An IDNO/ICP representative said there should be more sharing of information between ICPs/DNOs/IDNOs on inspection and monitoring. This would help the market overall. If we don't get the market right then everyone suffers. They wanted to see more openness and honesty from actions, audits and non-conformances and how they are closed down.
- A WPD representative said they would provide an update at the next workshop and in October explain what had been delivered and what would be done next year. They would like more guidance from CCSG representatives.

5. Interactivity

- A WPD representative outlined the WPD consultation on interactivity, acceptance validity and reservation of capacity. The WPD representative explained at a high level the key issues and approaches they were looking for feedback on.
- A WPD representative said historically the need for interactive connection offers has been a rare event. Applying for the grid connection is not charged for upfront and this is often done before planning consent is granted. It was noted that moratorium periods delay acceptance of offers made to customers first in the queue.
- A Connections Consultant representative said the problem they have is if they get a POC plan and give it to ICP in good faith they have wasted the ICP's time if the offer becomes interactive and the result of the process is a change to the POC. Should a POC plan be moved back to the same time as POC pricing quotation?
- A WPD representative said they noted the importance of the visibility of the post acceptance queue and the acceptance of the date of the offer so that people can gauge the likelihood of acceptations date but they couldn't guarantee as a right. Could people change the connection point without changing their position in the queue? These were grey areas. Was it a new project? Did it depend on the degree of change? Smart and constrained offers merging in queues caused some issues.
- A WPD representative outlined the use of Section 22 agreements.
- A WPD representative asked the representatives their thoughts on for how long people should be able to delay connection works when their reasons for asking for a delay are valid. What are valid reasons for delay?
- A Connections Consultant representative said companies should be prepared to pay fair and reasonable fees.
- An IDNO/ICP representative asked if WPD had looked at the gas methodology for charging where they paid for reinforcement work. However, the issues change if the methodology changes. A WPD representative said it had been looked at but their model was very different. It was mostly driven by developers but the risk must not fall on domestic customers.
- A WPD representative outlined the position regarding payments. Generally for smaller connections upfront payment is required. This can be staged payments the key is to make sure they are cash positive in the account. It was noted some larger DG developers have asked for

payment to be made upfront to prevent those who are ready to proceed from being delayed by those who aren't.

- It was noted by the group the impact this would have on smaller DG developers and community groups if it was introduced.
- A WPD representative outlined the position regarding reservation of capacity.
- A WPD representative outlined the position regarding a combined feasibility/offer process. Consideration is being given to the combined feasibility/offer process proposed by Scottish Power – they propose charging upfront for this service. This allows a feasibility study to be undertaken on a range of potential connection capacities at a location whilst retaining the feasibility application date as the application date for and offer for connection. Whilst this process would provide better information to customers, it does not avoid the issues of interactivity when there are multiple requests in an area. If an upfront charge is required, is the application date the date of request for the feasibility or the date of payment for it?
- A Connections Customer representative asked if someone is exporting now and they stop, what is the process for releasing that capacity? A WPD representative said there isn't a process unless they inform us this is the case.
- A Connections Consultant representative said they had had the same problem with NPG where they couldn't release capacity.
- A Major Connections representative asked if the rules from the regulator were so generic and vague that DNOs have to come up with their own rules. This was confirmed by a WPD representative who said that there was no prescription from the regulator.
- A WPD representative said that real situations were emerging that had never been envisaged.
- A Major Connections representative asked if WPD knew what the other DNOs were doing and if they had the same issues. It was confirmed that WPD do have regular contact with the other DNOs.
- A WPD representative said that in the South West they had had a high penetration of applications in four areas, where 3.3GW had been accepted but not connected and another 4GW offered but not accepted.
- A Major Connections representative said there had been emails circulating about load banking.
- A WPD representative said that you could not blame developers as it was a commercial market and they were playing to the rules.
- A WPD representative closed the session by thanking the CCSG representatives for attending and contributing and undertook to return in June and October to update them.

Appendix - Presentations

Connections Customer Steering Group Workshop

4th March 2014



Housekeeping

- **Building Evacuation**
- **Facilities**
- **Introductions**

Connections Customer Steering Group



2

Agenda

Introduction and purpose of today's meeting
RIIO-ED1 update
Connections update
CCSG Work plan presentations and feedback sessions
Review and Summary
Next Steps
Interactivity, acceptance validity, payments and reservation of capacity

WESTERN POWER DISTRIBUTION

Serving the Midlands, South West and Wales

WPD's Business Plan - Ofgem's Fast-track Decision

Tuesday 4th March

Robert Symons

Chief Executive

RECAP – WPD’s Business Plan submission

One page summaries	– One for each licenced area covering key facts, expenditure and impact on domestic customer bills
Executive summary/overview	– Explains the process – A summary of the key details e.g. expenditure, outputs, financing, managing uncertainty and risk
Nine annex documents	– Stakeholder Engagement – Incentives – Innovation (incl. innovation strategy) – Outputs – Expenditure – Uncertainty – Financing the plan – Business efficiency – Data assurance
Data templates	– Expenditure information in a format required by Ofgem
Price Control Financial Model	– Ofgem model converting expenditure into a revenue stream
Cost Benefit Analyses (CBA)	– Justification of every expenditure category where there is an option

- All documents published online, except data tables available on request

RECAP – WPD’s Business Plan was built with stakeholders in stages

- **Focussed on face-to-face engagement**, but used a wide range of mechanisms
- **Published our draft Plan in full and consulted on every output**
- **Made substantial changes following stakeholder feedback**
 - Commenced working to the 12 hour standard in 2013
 - Voluntarily doubled Guaranteed Standards failure payments
 - Accelerated our resilience tree trimming programme
 - Increased the number of substations protected from flooding
 - Improved time to connect target for all new connections
 - Increased target for complaints resolved within 1 day
- **The only DNO**
 - To continue uninterrupted stakeholder engagement DPCR4/5
 - To communicate plan progress every year to all our customers
 - To communicate each year via TV and newspaper advertising who we are and what we do

Ofgem Stakeholder Engagement Incentive Scheme 2012/13		
1.	WPD	8.4
2.	ENW	7.9
3.	NPG	7.85
4.	UKPN	7.15
5.	SSE	6.85
6.	SP	no score (failed stage 1)
-	Top rated Gas Distribution or Transmission Company	6.4

RECAP – The key headlines from WPD’s Business Plan

We will:

- **Invest £6.3 billion** in core distribution business activities
- **Deliver 76 outputs** including voluntary commitments in every category
- **Maintain our number 1 position** with respect to customer service and network reliability, whilst improving service even further
- **Provide value for money** by delivering £119m per annum savings as a result of acquiring the Midlands networks
- **Continue to be at the frontier of efficiency** by delivering a further £260m saving over 8 years
- **Reduce customer bills** - WPD’s charges will reduce by an average of 11% (before inflation)

RECAP – WPD’s Business Plan delivers 76 outputs

Category	Safety	Reliability	Environment	Connections	Customer Satisfaction	Social Obligations
Measures	10	8	15	10	16	17
Stakeholder View	▶	▲	▲	▲	▶	▲
WPD's focus in RIIQ-ED1	Reduce staff accident frequency rate by 10%	Reduce the duration of power cuts by 20% Implement flood defences at 75 substations	Reduce the amount of waste sent to landfill by 20% by 2017 (5% p.a. thereafter) Underground 55km of line in AONB	Target zero Guaranteed Standard failures Better engagement with large customers	Maintain top position for customer satisfaction and complaints	Improve data on vulnerable customers Provide practical support during power failures
Voluntary	Educate 400,000 children on electrical safety	Reduce number of power cuts lasting more than 12 hours by 20%	Improve the time to provide a response to connect Low Carbon Technologies by 20%	Improve overall time to deliver a connection by 20%	Double Guaranteed Standard Payments	Contact vulnerable customers every two years

▲ = Improve current performance; ▶ = Maintain current performance; ▼ = Do less than current performance

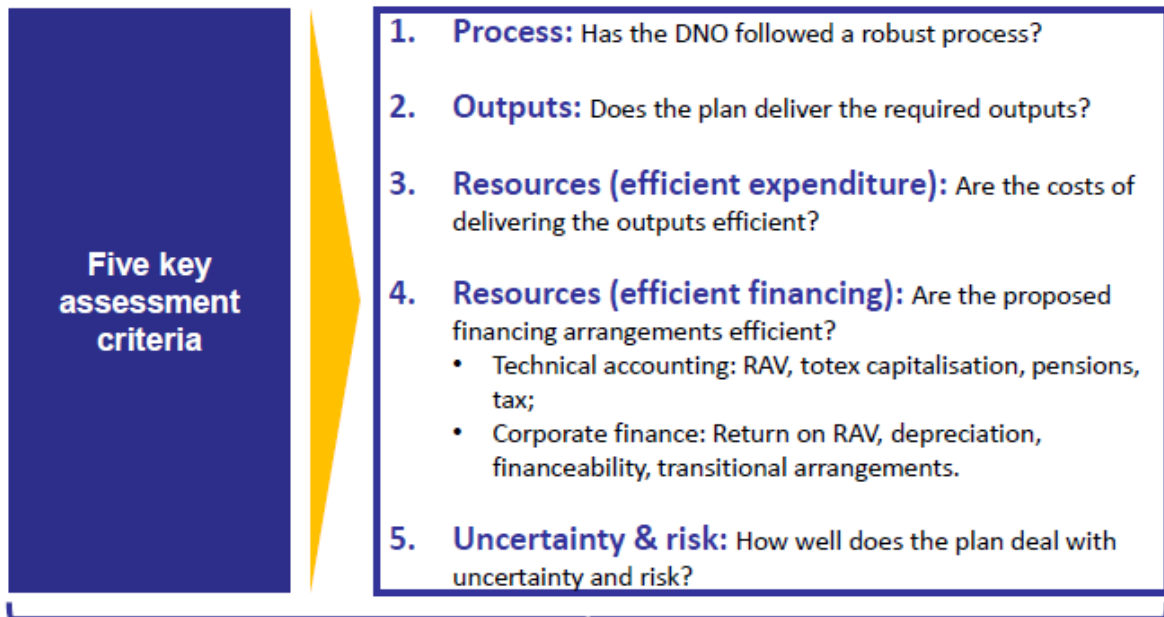
RECAP – 10 specific connections outputs

Provide a faster and more efficient connections service
<ul style="list-style-type: none">• Improve the overall time to deliver a connection by 20%• Provide excellent customer service so that customers continue to rank WPD as the top performing DNO group in customer satisfaction surveys• Conduct surveys with distributed generation customers to gauge their satisfaction and identify improvements to the service provided
Improve communication with customers
<ul style="list-style-type: none">• Develop and enhance online connections processing and progress tracking• Ensure information provided in documentation and online is effective
Enhance engagement with major customers
<ul style="list-style-type: none">• Host quarterly 'surgeries' for connection customers to better understand processes• Work with major customers to identify where processes can be improved and quickly implement changes
Guaranteed Standards of Performance
<ul style="list-style-type: none">• Target zero failures of the connection GSOPs
Facilitation of competitive market
<ul style="list-style-type: none">• Improve customer awareness of third party connection providers and carry out regular checks with customers so that they understand the options available to them• Work with third party connection providers to extend the scope of contestable work to HV and reinforcement work

Ofgem confirmed decision

- On 28th February Ofgem confirmed that WPD's price control for its four licences would be settled early – 'fast-tracked'
- A fast-track plan is one that is judged by Ofgem to be a long term, high quality plan that benefits customers
- The advantages of fast-tracking to WPD are:
 - WPD's plan for 2015-2023 has been accepted by Ofgem without alteration
 - WPD conclude the price review 9 months early
 - WPD will receive a 2.5% p.a. totex reward
 - As a fast-tracked company WPD have been recognised as the industry leader for performance and efficiency

RIIO-ED1 – Ofgem’s assessment criteria



Assessed in the context of historical performance



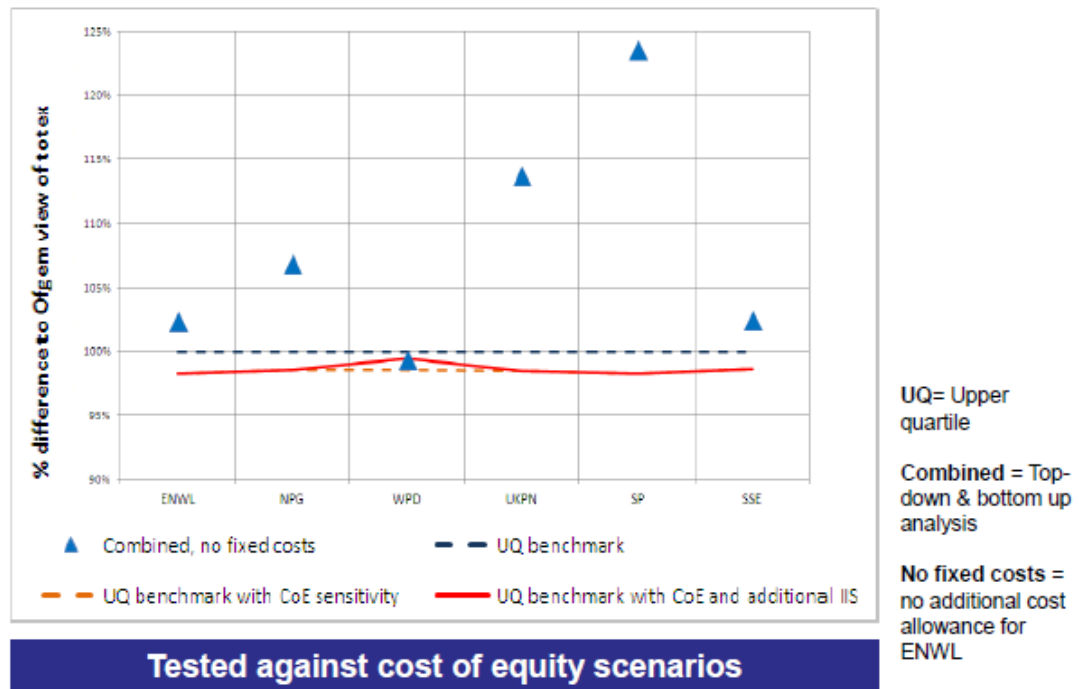
Ofgem’s assessment - Summary

DNO Group	DNO	Process	Outputs	Resources – efficient costs	Resources – efficient finance	Uncertainty and risk
Western Power Distribution	WMID	Green	Green	Green	Green	Green
	EMID	Green	Green	Green	Green	Green
	SWALES	Green	Green	Green	Green	Green
	SWEST	Green	Green	Green	Green	Green
Electricity North West Ltd	ENWL	Green	Green	Yellow	Green	Green
Northern Powergrid	NPgN	Green	Green	Yellow	Green	Green
	NPgY	Green	Green	Yellow	Green	Green
UK Power Networks	LPN	Green	Yellow	Red	Green	Green
	SPN	Green	Yellow	Yellow	Green	Green
	EPN	Green	Green	Red	Green	Green
SSE Power Distribution	SSEH	Green	Red	Yellow	Green	Red
	SSES	Green	Yellow	Yellow	Green	Red
SP Energy Networks	SPD	Yellow	Red	Red	Green	Yellow
	SPMW	Yellow	Red	Red	Green	Yellow

Only WPD proposed for fast-track; Others proportionate treatment



Ofgem's assessment of efficient expenditure



Ofgem's assessment: Only WPD proposed for fast-track

Well justified:	
✓ Process:	<ul style="list-style-type: none"> Clear and reasonably easy to navigate business plan Robust and broad stakeholder engagement Only DNO to explicitly incorporate interests of 'future' consumers Long-term view includes RIIO-ED2 & beyond strategy
✓ Outputs:	<ul style="list-style-type: none"> Ambition to remain best performing DNO in customer service Reliability targets more challenging than Ofgem's Comprehensive social strategy
✓ Efficient cost:	<ul style="list-style-type: none"> Challenging cost package Most cost-efficient of all DNOs – stress-tested for different levels of cost of equity Includes efficiency savings from acquisition
✓ Efficient financing:	<ul style="list-style-type: none"> CoE and gearing justified by NERA study Overall consistent with Ofgem's Strategy Decision, but not considered new information since then
✓ Uncertainty & risk:	<ul style="list-style-type: none"> Good process for developing 'best view' scenario for low carbon technology (LCT) take-up Good strategy for flexing investment around low carbon scenarios

Highlights from Ofgem’s determination

Ofgem stated:

- *“WPD has a strong track record in delivering frontier performance in customer service and reliability, and has demonstrated in its takeover of the Central Networks licensees that it can duplicate this performance while driving our efficiency savings”*
- *“Ofgem would particularly like to highlight... the breadth and depth of WPD’s (stakeholder engagement) approach that built on their longstanding framework for engagement.”*
- *“Historically, WPD has been the most proactive DNO in developing partnerships with other organisations in order to provide support to customers in vulnerable situations”*
- *“WPD has forward tighter [reliability] targets than those arising from our target setting methodology.”*
- *“We note it is the only DNO explicitly to incorporate the interests of ‘future’ consumers.”*
- *“WPD’s proposed connection outputs align with our Strategy decision... WPD provides evidence to demonstrate how connection customers and wider stakeholders informed the development of its business plans. Overall, WPD’s connection proposals are acceptable.”*

RIIO-ED1 – Ofgem’s timetable

Feb 2012	Consultation launched	✓
Sept 2012	Strategy consultation	✓
Mar 2013	Strategy decision	✓
1 July 2013	Business Plans submitted	✓
22 Nov 2013	Initial assessment of the RIIO-ED1 Business Plans & fast-track proposal published	✓
22 Nov 2013	Consultation launched on WPD’s draft determination & equity market return methodology	✓
6 Dec 2013	Ofgem publish cost methodology supplementary annex & cost assessment models	✓
6 Dec 2013	WPD publish errata to Business Plan	✓
Dec 2013	Bilateral meetings for all DNOs	✓
22 Jan 2014	Consultation closes on assessment of Business Plans & fast-track recommendation	✓
Feb 2014	Fast-track final determination published Decision to keep/change equity market return methodology	✓
Mar 2014	Non fast-tracked Business Plans resubmitted	
July 2014	Non fast-tracked Draft Determination published	
Nov 2014	Non fast-tracked Final Determination published	
1 April 2015	RIIO-ED1 commences	

Recent stakeholder engagement workshops

- We have recently consulted 205 wider stakeholders about the delivery of all 76 outputs in our Business Plan
- This included the 10 connections outputs, as well as a separate afternoon session specifically on Connections
- There will be further details in the next session, but the headline findings were:
 - 58.6% of stakeholders wanted WPD to achieve improvements to the overall time to connect earlier than 2023
 - They would also like WPD to deliver enhanced online connections processing & progress tracking as soon as possible

Connections – letter from Michael Fallon (MF), Energy Minister

- A World Bank report stated the UK had fallen to 74th in the world for the speed of receiving an electricity connection
- MF therefore wrote to every DNO to stress the need for improvement and to praise UKPN for bringing forward their RIIO-ED1 improvement commitments
- WPD responded explaining that WPD's current performance is already better than all the improvements proposed by UKPN for the time to quote and time to connect
- We outlined our RIIO-ED1 commitments to improve by 20%, and that we will accelerate these plans, and will deliver a 10% improvement in 2014

Time to quote (working days)				WPD 2014 target
	WPD current	UKPN current	Difference	
LVSSA (Single service LV connection)	8.0	10.1	21% better	
LVSSB (Small project LV demand connection)	13.4	16.4	18% better	11.4

Time to connect (working days)				WPD 2014 target
	WPD current	UKPN current	Difference	
LVSSA (Single service LV connection)	45.4	45.6	0.4% better	
LVSSB (Small project LV demand connection)	56.3	60.3	7% better	40.9 50.7

- WPD's improvement commitment applies to all market segments, so that all connection customers benefit from process improvements

Summary

- WPD were the only DNO in the UK to be fast-tracked in RIIO-ED1
- WPD are currently ranked as the top performer for connections in the industry →
- We are not complacent but this gives us a strong platform to build on
- We have already started to deliver improvements and our connections outputs
- This forum is important to help identify, refine and shape the delivery of these developments

Overall satisfaction with connections quotations (by DNO group) <i>Ofgem Broad Measure Apr 2013-Jan 2014</i>		
1st	WPD	8.60
2nd	SSE	8.02
3rd	ENW	7.96
4th	SP	7.95
5th	UKPN	7.75
6th	NPG	7.71

Overall satisfaction with connections completed work		
1st	WPD	8.78
2nd	SP	8.29
3rd	NPG	8.09
4th	SSE	8.03
5th	UKPN	7.86
6th	ENW	7.05

Connections Update

Alison Sleightholm

Stakeholder engagement workshops

- 6 workshops held at Leicester, Birmingham, Exeter, Newport, Bristol & Cheltenham
- 205 stakeholders attended
- Key objectives were to:
 - Confirm the key aspects of WPD’s final RIIO-ED1 Business Plan
 - Explain the fast-track recommendation
 - Identify which outputs stakeholders would like WPD to deliver early

Specific afternoon workshop on ‘connections’ to:

- Explain the role of the CCSG
- Seek feedback on WPD’s connections work plan draft
- Discuss interactivity and management of the DG queue

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Workshop 1 – How we consulted on the 10 connections outputs

We explained that two out of the ten commitments are:

- Linked to a work plan and are currently set to be achieved by 2023
- We therefore asked: **Would stakeholders like us to accelerate the delivery of these improvements?**

Provide a faster and more efficient connections service	By 2023 as planned	By 2021	By 2019	Even earlier
20% improvement in the overall time to deliver a connection				
Facilitation of competitive market				
Work with third party connection providers to extend the scope of contestable work to HV and reinforcement work				



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Workshop 1 – How we consulted on the 10 connections outputs

We explained that five out of the ten commitments are:

- Linked to one-off developments currently due to be developed by 2023 at the latest.
- We therefore asked: **Would stakeholders like us to deliver them early?**

Provide a faster and more efficient connections service	Start early (pre 2015)	Deliver 2015-2023
Conduct satisfaction surveys with distributed generation customers to identify improvements	✓	
Improve communication with customers		
Develop/enhance online connections processing & progress tracking		
Enhance engagement with major customers		
Host quarterly 'surgeries' for connection customers to better understand processes	✓	
Work with customers to identify process improvements and implement changes	✓	
Facilitation of competitive market		
Improve customer awareness of third party connection providers and carry out regular checks that customers understand the options available to them		

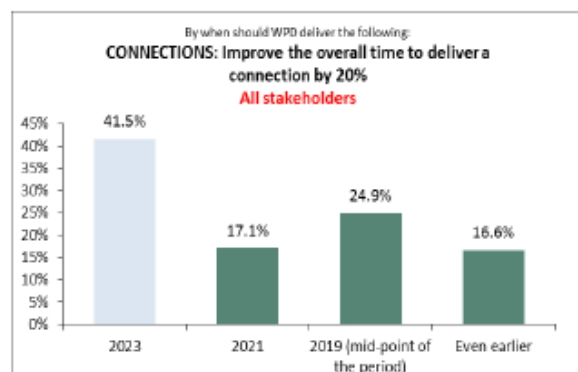
And three out of the ten commitments are continuations or just tightened targets:

Be ranked as the top performing DNO group in customer satisfaction surveys
Ensure information provided in documentation and online is effective
Target zero failures of the connection GSOPs

Workshop 1 – Connections key findings

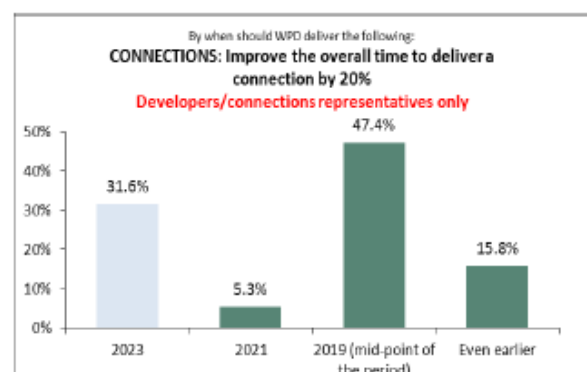
All stakeholders:

- 58.6% wanted WPD to achieve improvements to the overall time to connect earlier than 2023
- Though there was little consensus on the rate



Developers & connections representatives only:

- 68.4% wanted WPD to achieve improvements to the overall time to connect earlier than 2023
- The preferred option was to achieve this by 2019 (47.4%)



Workshop 1 – Connections key findings

- There are three outputs that stand out to be delivered early:

All stakeholders:

Business Plan output	% voting for early delivery
Develop/enhance online connections processing & progress tracking	14.6%
Improve customer awareness of third party connection providers and carry out regular checks with customers that they understand the options available to them	12.2%
Work with major customers to identify process improvements and quickly implement changes	11.2%
Conduct satisfaction surveys with distributed generation customers to gauge their satisfaction and identify improvements	10.2%
Host quarterly 'surgeries' for connection customers to better understand processes	8.3%

Developers & connections representatives only:

Business Plan output	% voting for early delivery
Work with major customers to identify process improvements and quickly implement changes	26.3%
Improve customer awareness of third party connection providers and carry out regular checks with customers that they understand the options available to them	26.3%
Host quarterly 'surgeries' for connection customers to better understand processes	10.5%
Develop/enhance online connections processing & progress tracking	5.3%
Conduct satisfaction surveys with distributed generation customers to gauge their satisfaction and identify improvements	0.0%

Connections surgeries – key findings

The key improvement actions identified were:

- Add 'community energy' as a customer connections segment and invite a representative to join WPD's Connections Customer Steering Group
- Add customer connections surgeries to the connections improvement work-plan
- Consult on the management of the Distributed Generation queue
- Provide clarification on various aspects of connection policy¹ and clearer connections offer letters

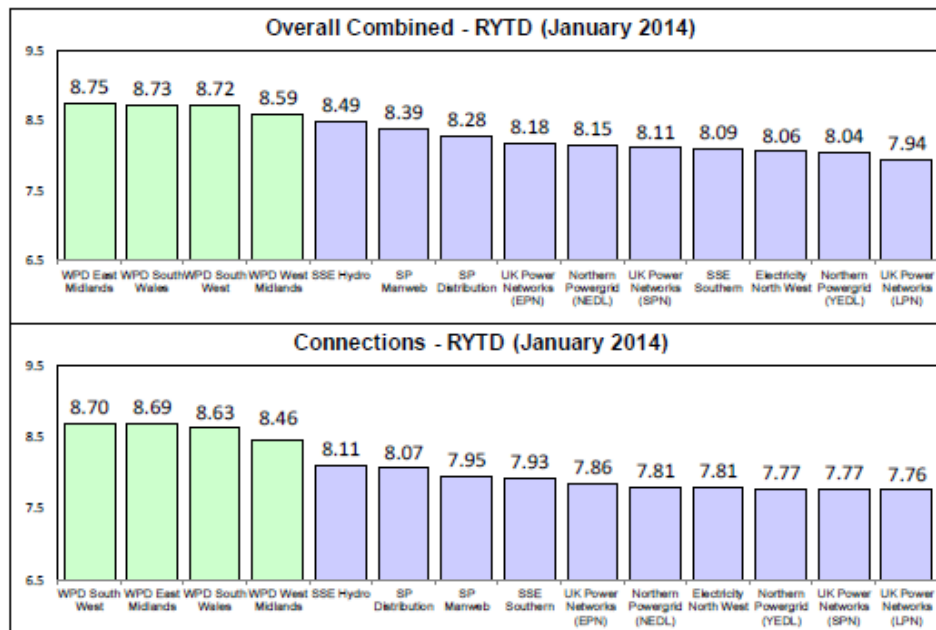
^[1] Policy on single vs dual supplies to a single site
Policy on commercial credit for transformer replacements

Incentive on Connections Engagement (ICE) Update

- A new incentive commencing April 2015 aimed at improving service for larger connections customers
- The incentive will give connections customers input into a DNOs' high level connection strategy and work plan of activities
- Each year the DNO will be expected to make two submissions to Ofgem
 - At the start of the year an overview of the engagement strategy, workplan and performance activities planned for the year
 - At the end of the year a review of performance against the workplan
- Ofgem will assess the submissions against a set of minimum requirements and there is potential penalty of 0.9% of revenue if the requirements are not met

Connections customer service update

Ofgem Broad Measure 2013/14 regulatory year to date



Connections customer service – in detail

Quotations – By DNO group

Ofgem Broad Measure 2013/14 regulatory year to date

Whilst WPD rank top in every measure, there are still areas for improvement:

Ease of initial contact with DNO to get a quote			Time taken to receive a quote		Understanding the customer's requirements		How clearly the process was explained		How clearly the charges were explained		Amount of communication throughout	
1st	WPD	8.65	WPD	8.77	WPD	8.86	WPD	8.48	WPD	8.40	WPD	8.65
2nd	SSE	8.11	ENW	8.22	ENW	8.30	SP	8.14	SSE	8.10	ENW	8.19
3rd	UKPN	7.99	SSE	8.06	SSE	8.30	ENW	8.07	SP	8.08	SP	8.13
4th	ENW	7.97	SP	7.94	SP	8.27	SSE	8.06	ENW	7.90	SSE	8.02
5th	SP	7.84	NPG	7.89	NPG	8.04	UKPN	7.91	NPG	7.80	NPG	7.92
6th	NPG	7.80	UKPN	7.82	UKPN	7.90	NPG	7.84	UKPN	7.73	UKPN	7.90

Connections Customer Steering Group

Connections customer service – in detail

Completed work – By DNO group

Ofgem Broad Measure 2013/14 regulatory year to date

Whilst WPD rank top in every measure, there are still areas for improvement:

Promptness of contact to arrange date			Satisfaction with arrangements before work		Professionalism of the workforce		Time in which work was completed		Were the dates given met?		
									Yes	No	
1st	WPD	8.66	WPD	8.74	WPD	9.01	WPD	8.83	WPD	94.37%	5.63%
2nd	SP	8.10	SP	8.39	SP	8.76	SP	8.42	UKPN	88.44%	11.56%
3rd	SSE	8.03	NPG	8.16	NPG	8.70	SSE	8.28	SSE	83.06%	16.94%
4th	NPG	8.01	UKPN	7.97	SSE	8.69	UKPN	7.98	NPG	80.99%	19.01%
5th	UKPN	7.90	SSE	7.91	UKPN	8.48	NPG	7.92	SP	86.31%	13.69%
6th	ENW	7.28	ENW	7.41	ENW	8.02	ENW	7.11	ENW	74.76%	25.24%

Connections Customer Steering Group

Competition Test Update

- WPD applied for DG HV EHV market segment for each of our 4 areas
- Passed in the **South West** distribution service area
- Ofgem stated “significant activity by alternative providers” as a key reason and were on balance “satisfied that WPD’s prices in the South West DSA would be constrained effectively by competition, and that all customers in this [market segment] would be protected by competition in the absence of price regulation. “
- Respondents to Ofgem consultation: “generally agreed with WPD’s view that customers are aware of competitive alternatives“. One respondent said “WPD’s procedures and processes definitely reflect best practice.”

Connections Customer Steering Group

Competition Test Update


- Due to lower levels of activity in the South Wales, East Midlands and West Midlands areas Ofgem were “not convinced that all customers in these DSAs would be protected by competition “ when determining for these regions.
- However Ofgem were “satisfied, based on the evidence provided, that the steps taken by WPD have generally addressed previously identified barriers to competition.”

Licence Area	Relevant Market Segment								
	Demand Connections				Distributed Generation		Unmetered Connections		
	LV work	HV work	HV & EHV work	EHV work & above	LV work	HV & EHV work	LA work	PFI work	Other work
WPD East Midlands	x	x	✓	✓	x	x	✓	✓	x
WPD West Midlands	x	x	✓	✓	x	x	✓	✓	x
WPD South Wales	x	x	x	x	x	x	✓	✓	x
WPD South West	x	x	x	x	x	✓	✓	✓	x

Connections Customer Steering Group

CCSG Timetable

- Annual programme of workshops:

Timing	Proposal
November 2013	<ul style="list-style-type: none"> ▪ Set the scene and agree terms of reference ▪ Understand and capture the key issues
February 2014	<ul style="list-style-type: none"> ▪ RIIO ED1 Workshops ▪ Present CCSG output to broader stakeholder for comment
 March 2014	<ul style="list-style-type: none"> ▪ Present WPD's draft proposals ▪ Ask stakeholders for comments that will be used to refine our thinking
June 2014	<ul style="list-style-type: none"> ▪ Present a review of progress against the Plan ▪ Present any additions or modifications which may have been identified
October 2014	<ul style="list-style-type: none"> ▪ Evaluate progress and successes ▪ Reassess the key outstanding issues ▪ Agree actions and priorities for the following year (rolling programme)

Coffee Break

CCSG Work Plan 2014

Panel review and feedback



CCSG Work Plan

- Review of issues and initiatives
- Feedback sessions for comment and discussion

Connections Customer Steering Group

Information and Application

Issue	WPD initiative(s)	Responsible manager	Target Date
Improve online application functionality	Implement staged CIRT functionality for all connections enquiries / customers i.e. non-CIC applications	GH	by Nov'14
Improve awareness of website services including updates & changes	Implement user email alert for website updates and changes	NT (RA)	Jun'14
	improve accessibility of website info and services	NT (RA)	Jun'14
Improve availability of Network information	Review network information currently available to customers and assess further requirements where necessary	NT	e/o Mar'14
	Implement access to further network information for customers	NT	Nov'14

Connections Customer Steering Group

Information and Application

Review and Feedback

- Have we captured your key priorities in terms of the issues?
- Do the proposed initiatives adequately address the issues?
- Are there any initiatives you would like to see which have not been included?
- Are the timescales correct?

Connections Customer Steering Group

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Quotations and Agreements

Issue	WPD initiative(s)	Responsible manager	Target Date
Improve information provided in formal offers and consistency	assess whether further information could be provided to improve the offer letter, in particular the cost breakdown, timescales and milestones. Implement improvements identified	NT/GH	Nov'14
Consult on processes regarding interactivity, acceptance validity, payments and reservation of capacity	WPD to consult with stakeholders on the approach it takes	NT	
	Implement a clear strategy and communicate to stakeholders.	NT	Jun'14
Acceptance of e-signatures	implement policy to allow acceptance of electronic signatures for agreements	NT (RA)	Nov'14
improving the process of gaining legals and consents	identify and implement improvements to connections legals process to improve timescales, consistency and transparency for customers	AS	Nov'14
Extension of contestability - self-assessment of POC	Trial and implement process to allow self assessment of POC for ICPs	NT (RA/TB/PB)	Nov'14
Extension of contestability - connection reinforcement	Develop trial and procedures to facilitate ICPs carrying out connections reinforcement	NT (TH)	Nov'14

Connections Customer Steering Group

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Quotations and Agreements

Review and Feedback

- Have we captured your key priorities in terms of the issues?
- Do the proposed initiatives adequately address the issues?
- Are there any initiatives you would like to see which have not been included?
- Are the timescales correct?

Lunch

Construction and Connection

Issue	WPD initiative(s)	Responsible manager	Target Date
Improve communication in unmetered connections	implement process to notify LAs of programmed dates for UMS connection works (potentially via online application system)	PD	Nov'14
	investigate ability to notify UM customers of planned outages	AS	Jun'14
Expand service for IDNO network emergency support	rollout ability to support IDNO networks for fault repair service across WPD regions	SP	Nov'14
Improve Consistency of process	implement training and briefings to improve consistency across teams	NT/PD	Nov'14
Improve and consolidate inspection and monitoring processes	Consult on and develop integrated I&C process	NT (RA)	Nov'14

Connections Customer Steering Group

Construction and Connection

Review and Feedback

- Have we captured your key priorities in terms of the issues?
- Do the proposed initiatives adequately address the issues?
- Are there any initiatives you would like to see which have not been included?
- Are the timescales correct?

Connections Customer Steering Group

Review and Summary

- WPD & Instinctif Partners will collate feedback from today's session and issue to panel for agreement
- WPD to finalise Plan based on the CCSG Panel review
- WPD to issue the Plan to the CCSG Panel and update on progress next at the workshop

- Any further feedback or questions please contact
Richard Allcock
rallcock@westernpower.co.uk
T: 01332 827503
M: 07843002177

- Date of next meetings: **Tuesday 24th June & Tuesday 14th October**

Way Forward

- WPD & Instinctif Partners will collate feedback from today's session and issue to panel for agreement
- WPD to finalise Performance Improvement Plan based on the CCSG review
- WPD to issue the Plan to the CCSG Panel and update on progress next at the workshop

Coffee Break

Connections Customer Steering Group

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**Interactivity, acceptance validity,
payments and reservation of capacity**

March 2014

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Government/Ofgem Policy Context

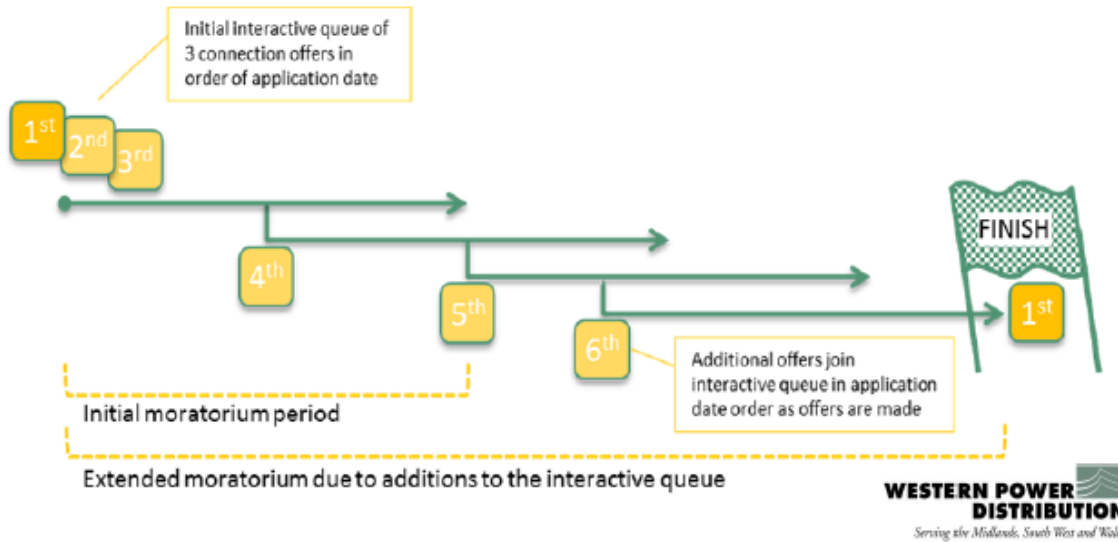
- Government wants low carbon generation technology connected to the network to help meet it's carbon reduction agenda – this includes up to 20GW of PV by 2020
- Ofgem expect DNOs to connect generation at the lowest cost whilst ensuring that the cost of investment to expand the network does not fall to demand customers if this investment ends up being underutilised due to DG not proceeding

Context - WPD

- Historically the need for interactive connection offers has been a rare event. With the significant growth in DG connections interactive offers and queues for connection are now common on many parts of the network
- Of the prerequisites to develop DG (finance, land, planning consent and connection to the grid), seeking an offer for connection to the grid is the cheapest as DNOs are not allowed to charge upfront for making a connection offer. This can lead to issues over acceptance validity, payment terms and reservation of capacity as the developer will often seek planning consent after receiving a connection offer
- There are also a number of developers who's interest is to obtain a connection agreement, land agreement and planning consent for a project for onward sale to a third party to fund, construct and operate. This has caused further issues with acceptance validity, payment terms and reservation of capacity as the developer wants to minimise expenditure and delay progressing the construction of the connection until after sale, and subsequent transfer of rights to another party.

Interactivity

- Detailed existing process in Connection Charging Statements
- Concerns/issues as follows:
 - Moratorium periods delaying acceptance of offer by customer who is first in a queue



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Question(s) in the consultation

Interactive Connection Schemes

Questions in this section:

Issue: Impact of extending queue on 1st place

1) Should the initial moratorium period be extended where new offers are made within this period?

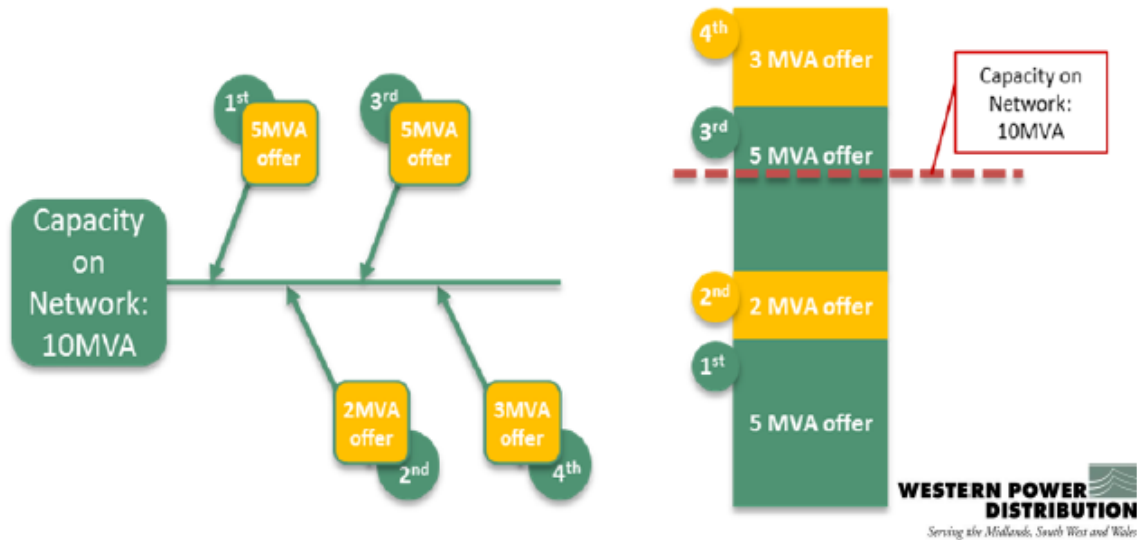
2) Should the moratorium extension be conditional on the initial party(ies) not accepting within the initial moratorium?

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Interactivity

- Concerns/issues as follows:
 - Current process does not have a 'joint 1st place' process where the initial two (or more) applications were not interactive but a subsequent application makes them interactive – should it?



Question(s) in the consultation

Interactive Connection Schemes

Questions in this section:

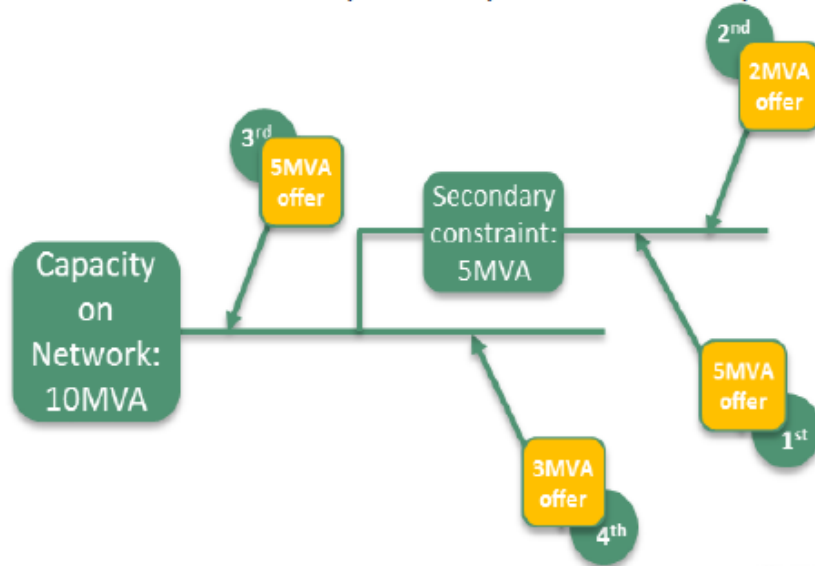
Issue: Joint 1st place / allowing multiple successful connections in a queue

3) Do you think that our minded to position of allowing multiple offers to be accepted where the network constraints allow, is the correct way forward or should there only ever be one successful party in an interactive queue?

4) Can you propose any alternative solutions to this issue which may be fairer and more efficient?

Interactivity

- Concerns/issues as follows:
 - How to deal with more complex sub queues – for example



Question(s) in the consultation

Interactive Connection Schemes

Questions in this section:

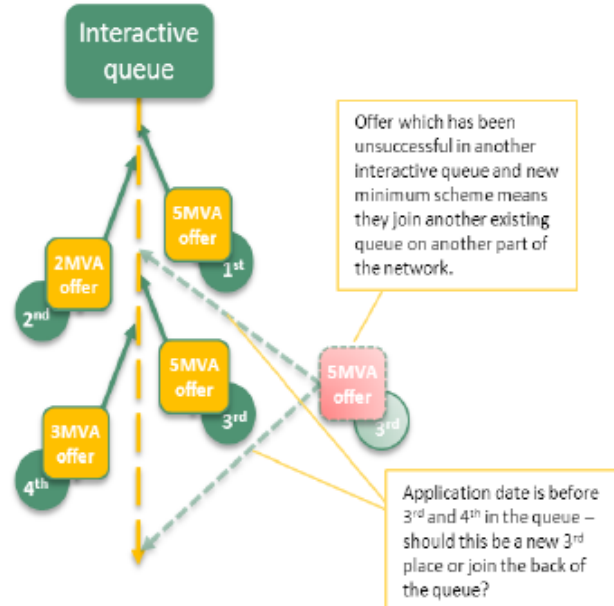
Issue: Interactive sub-queues

5) Where a party is unsuccessful due to a secondary constraint should a party further down the queue who is only limited by the primary constraint be allowed to connect or should the interactive process be restarted for all unsuccessful parties.

6) Should the minded to position of allowing multiple successful connections in an interactive queue also apply where there are secondary interactive queues?

Interactivity

- Concerns/issues as follows:
 - Joining another interactive queue due to changes in the minimum cost scheme caused by interactivity'



Question(s) in the consultation

Interactive Connection Schemes

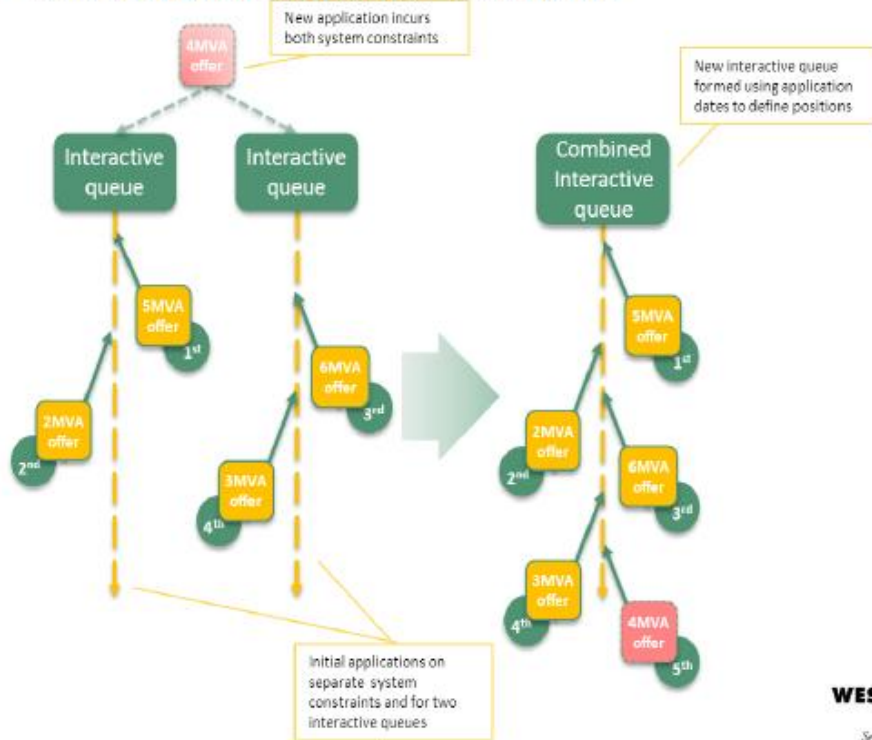
Questions in this section:

Issue: Joining another interactive queue due to new minimum scheme

7) Where a connection offer has been unsuccessful in an interactive queue and the new minimum scheme for this connection requires it to join another queue, should the position in the queue be based on the original application date or the date of reapplication under the interactive queue process?

Interactivity

- Concerns/issues as follows:
 - Joining together of queues – for example



Question(s) in the consultation

Interactive Connection Schemes

Questions in this section:

Issue: Joining together of queues

8) Do you agree with our proposed approach to join together interactive queues where an application incorporates the constraints on each queue or can you propose an alternative approach?

Interactivity

- Concerns/issues as follows:
 - CIC – the trigger for interactivity is the offer and not the issue of the POC – should there be visibility of the potential for these to be interactive?
 - Visibility of post acceptance queue to allow customers to assess likelihood of those in front proceeding
 - Desire to change location of connection point (site)/project being connected without changing place in queue
 - Queues for 'smart' offers and their interaction with 'conventional' offer queues
 - Interaction of an accepted 'smart' offer with drop out of a 'conventional' offer from a queue – i.e. if a customer has accepted a 'smart' offer and then a party with an accepted offer, in front of them, drops out should they be offered a 'conventional' offer before later parties? Should this be an enduring principle if/as capacity becomes available?

Question(s) in the consultation

Competition in Connections point of connection provision

Questions in this section:

Do you believe there is any value in providing notice of potential interactivity at the POC design stage for competition in connections schemes given that the situation can change prior to issuing the offer?

Visibility of post acceptance queue

Questions in this section:

Do you believe there is any value in providing notice of potential interactivity at the POC design stage for competition in connections schemes given that the situation can change prior to issuing the offer?

In your view how useful would this information be on the queue of accepted not yet connected scheme?

Is the level of information we are proposing to publish suitable?

Question(s) in the consultation

Changes to application and effect on queue position

Questions in this section:

Do you think we should allow applicants to be able to alter their requirements both during the application and post acceptance without losing their position in the interactive queues?

In particular do you think that a change of capacity or a change to the site of the connection should be allowable without altering the position in the queue?

Queues for 'Smart' Offers an interaction with conventional queues

Questions in this section:

Do you believe our proposal to incorporate these smart offers into the interactivity process is the most fair and efficient approach?

Do you have an alternative solution?

Interaction of 'Smart' offers with cancellation of an acceptance in a conventional queue

Questions in this section:

Where capacity is released by a cancelled connection, should applicants with smart connections / offers be offered a conventional connection before later parties? If so, should this be an enduring principle if/as capacity becomes available?

Interactivity – Use of Section 22 Agreements

- A way for customers to share reinforcement costs is to form a consortium to share the costs of reinforcement associated with a group of connections and enter a Section 22 Agreement with the DNO
- For such an agreement to be established, facilitation of knowledge of developers interested in particular location is needed together with system studies of the capacity made available by particular reinforcement work
- As such agreements are likely to include connections that match the capacity being made available, consideration is needed of whether such agreements need to include provision for further customers seeking to connect and small connections that would not have the resources to participate in a consortium. Such further connections would trigger the next reinforcement if not within the consortium.
- Consideration is needed of how to deal with situations where this 'next' reinforcement would change the timing of the 'first' reinforcement

Question(s) in the consultation

Use of Section 22 Agreements

Questions in this section:

- 1) What is the best way to facilitate sharing of information between developers?*
- 2) Would you be likely to participate in sharing arrangements between developers?*
- 3) Do you have a proposal of how we should treat situations where further applications cause the most economic reinforcement to have a longer implementation timetable than the initially planned reinforcement?*

Acceptance validity

- Our connection charge statement allows us to require work to be started and completed within a determined period of time. Where these, or agreed milestones, are not met, it allows us to withdraw the offer and make a new offer on revised terms appropriate at the time
- Areas that would benefit from clarification are:
 - Should we publish a list of expected milestones for different project types?
 - What would be a reasonable number of 'project types'? E.g. by voltage on connection, size of import/export capacity, technology type etc.
 - How rigidly should these timescales be adhered to? E.g. if planning is refused but an appeal decision is awaited?

Question(s) in the consultation

Acceptance validity

Questions in this section:

- 1) do you agree with our proposed milestones for acceptance validity?*
- 2) do you consider the milestones to be split into appropriate groups?*
- 3) what are your views on our proposed approach to extensions of validity?*
- 4) what if any are the appropriate exemptions which should be included and accepted to extend the timescales of the milestones?*

Payments

- Our connection charge statement requires payment in full prior to energisation and recommends payment on acceptance except where there is phased development or major electrical infrastructure where an initial payment will be required followed by instalments to coincide with our incidence of expenditure
- Concerns have been raised that stage payments can result in developers 'reserving' capacity at low cost whilst delaying development which blocks other developers who are ready to proceed
- Individuals and community energy groups can have difficulties in raising finance for upfront payments
- Need to address the 'pay initial instalment but do nothing' requests particularly where upstream reinforcement is needed
- Should full up front payment be required for all projects?

Question(s) in the consultation

Payments

Questions in this section:

Do you agree with our proposal to maintain our current policy regarding the request of stage payments?

Reservation of capacity

- Should a developer be able to contract to pay for infrastructure upgrades on condition that they have exclusive rights to the capacity created for a period of time without having specific proposed connections at the time of entering the agreement?
- Should a customer be able to seek/continue with a connection agreement for capacity (either import or export) and reserve it (by paying appropriate UoS charges) where it is significantly in excess of that which their plant is capable of using? What mechanisms could be used to make this capacity available?

Question(s) in the consultation

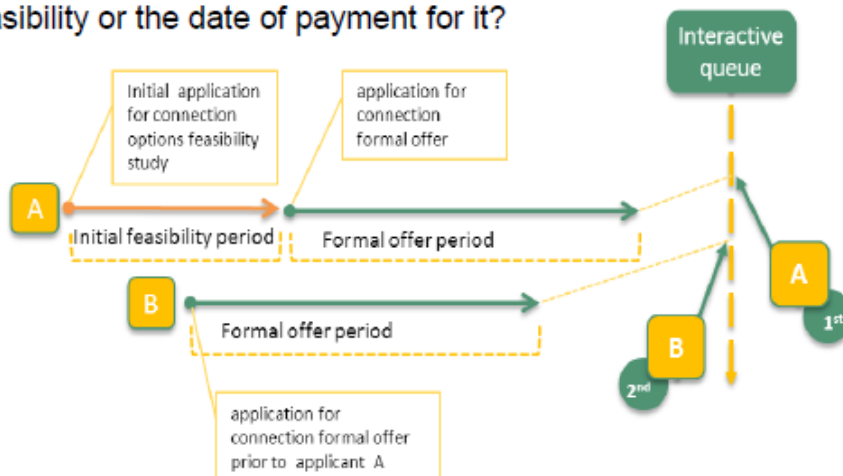
Reservation of capacity

Questions in this section:

- 1) Should a developer be able to contract to pay for infrastructure upgrades on condition that they have exclusive rights to the capacity created for a period of time without having specific proposed connections at the time of entering the agreement?
- 2) Should a customer be able to seek/continue with a connection agreement for capacity (either import or export) and reserve it (by paying appropriate UoS charges) where it is significantly in excess of that which their plant is capable of using?

Combined feasibility/offer process

- Consideration is being given to the combined feasibility/offer process proposed by Scottish Power – they propose charging up front for this service
- This allows a feasibility study to be undertaken on a range of potential connection capacities at a location whilst retaining the feasibility application date as the application date for an offer for connection
- Whilst this process would provide better information to customers, it does not avoid the issues of interactivity when there are multiple requests in an area
- If an upfront charge is required, is the application date the date of request for the feasibility or the date of payment for it?



Question(s) in the consultation

Combined feasibility / offer process

Questions in this section:

Do you think the date of the feasibility application (or date of payment for feasibility study) should be used as the initial application date for potential interactive queues?

Responses

Consultation is available from www.westernpower.co.uk/About-us/Stakeholder-information/Connection-Customer-Engagement.aspx

Responses should be returned by 11th April 2014 to:

Richard Allcock
Connections Policy Engineer
T: 01332 827503
Western Power Distribution
Pegasus Business Park
East Midlands Airport
DE74 2TU

Or emailed to: wpdconnectionpolmids@westernpower.co.uk

If you wish for your response or any of its content to remain confidential, please clearly mark it to that effect.

Next steps

We will publish our response and the actions we are taking following consideration of the responses to the consultation in **June 2014**.

