

Your ref A&D fees_14_08_08-123/08

Our ref BAP

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ARUP

Dear Roger

Response to Ofgem Consultation 123/08 - Connections Assessment and Design (A&D) fees levied by Electricity Distribution Network Operators

At present, some distribution network operators levy an upfront charge whilst others do not, this inconsistent approach is confusing for organisations involved in submitting requests for capacity and connection in various regions and can act as a deterrent to development.

Where a charge is made, the level of charge also appears to vary significantly from one operator to another, so that costs are unpredictable and often appear to be levied on an arbitrary basis. Charges, when paid, do not always result in the work being done in a timely fashion or at all.

In moving forward, the appropriate principle is that distribution network operators should be expected to conform to normal commercial practice, with regulation preventing abuses. Responding to initial inquiries without a specific charge is normal commercial practice, upfront charging for design is not.

Design quotations should be transparent and based on a realistic assessment of the time and cost of the work to be done. Experience suggests that operators should have an obligation to respond to requests in a timely manner, with penalties if they do not do so (the return of an upfront charge cannot be considered a penalty). Apart from the statutory response requirements already in place the level of customer service presently offered by network operators needs to be significantly improved.

We would ask that as Ofgem works toward an amendment of the Electricity Act it seeks to ensure a fair and consistent approach is established in which the parties making use of a service pay for it and the party delivering the service does so in a timely and efficient manner.

Yours sincerely



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