

Further responses to the Ofgem consultation on the upfront charging of Assessment and Design Fees.

ANWYL

Thank you for the copy letter dated 14th August 2008 regarding the above. I agree with the contents of the letter as I feel historically we have been charged (or tried to be charged) too much for quotes and have no way of knowing if the charge is a true reflection of the work that has been undertaken to produce the quote. Also, you never really know if all Companies requesting the quote e.g. at viability stage are being asked to pay the same charges – a potential money spinner for the DNO.

I do disagree with your proposal to amend the Energy Bill to allow upfront charges as I always feel there is scope to charge for more than the work actually undertaken. If we had to compromise maybe a better solution is to agree a small upfront fee for all service enquiries which would be refundable by the successful DNO - but no fee at all would be much better.

energywatch

Although energywatch was not specifically invited to respond to this issue we have reviewed it and continue to maintain our view that it is reasonable and efficient to charge parties who impose costs on the DNO (£19) but we would, expect such charges to be determinable by the authority. In light of the uncertainty that the current situation now provides for both consumers and DNOs, energywatch would urge Ofgem and the industry to seek a speedy resolution to this situation.

Hydroplan

We are involved as the client representative of a number of small hydro schemes in Scotland, dealing with schemes from 200kW to +/- 5MW.

I attended a stakeholder seminar with Scottish & Southern Energy yesterday and learnt that it was their intention to remove the application fees for grid connections. Whereas I understand the drivers for this, I am concerned that the efficiency of the teams within SSE and SP will be compromised as a result of the increased number of non serious applications. We also believe that, by paying a fee for a connection quotation, it shows that a developer is serious about committing to a scheme. I would therefore, be grateful if you would reconsider the directive to remove the application fees.

Northern Ireland Electricity:

In response to your note "A and D fees consultation", while NI is subject to separate legislation and Regulation, I would nonetheless point out that we would have concerns about the number of non-serious connection enquires that needed to be investigated before we introduced an up-front charging system. There are two forms to this type of enquiry. The first relates to a large number of small generation enquiries and the other relates to larger plant where the customer revisits the plant design assumptions ad nauseum. To deal with open flood gates, the real problem is our inability to find staff with suitable experience of both the technicalities and local network knowledge. This has the effect of causing long delays for genuine enquiries.

I agree with your comment that funding the studies from the customer at large is a distortion which is better avoided.